



city of burbank

california



MEMORIAL FIELD



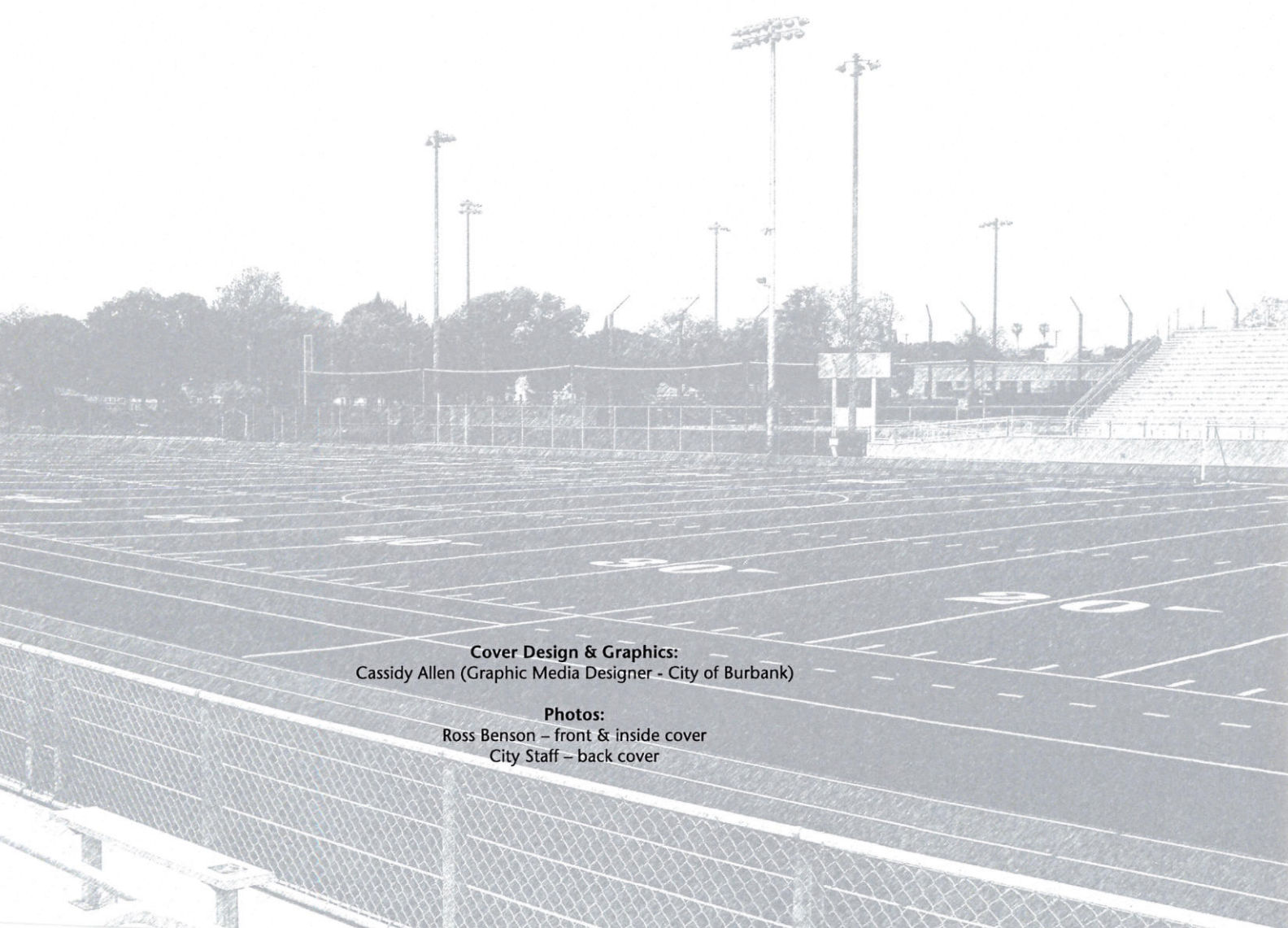
comprehensive
annual financial report
year ended june 30, 2012

ABOUT THE COVER

The City of Burbank's Fiscal Year 2011-2012 Comprehensive Annual Financial Report features the newly renovated Memorial Field dedicated February 25, 2012. The Memorial Field was a joint project between the Burbank Unified School District and the City of Burbank with donations from local businesses and residents.

The new Memorial Field consists of a new athletic field with artificial turf, a rubberized all-weather track, plus new ADA accessible bleachers, lighting, restrooms, scoreboard, concession stands and storage.

The Memorial Field is dedicated to those who have given the ultimate sacrifice by serving in the Armed Forces- it includes five memorial panels representing the five armed forces: US Air Force, US Army, US Navy, US Coast Guard, and US Marine Corps. The sculpture entitled "Home" represents a cherished moment when a soldier is reunited with his child, "a reminder of life and healing after sacrifice". It also includes the original refurbished memorial plaque.



Cover Design & Graphics:

Cassidy Allen (Graphic Media Designer - City of Burbank)

Photos:

Ross Benson – front & inside cover

City Staff – back cover

C O M P R E H E N S I V E
ANNUAL FINANCIAL REPORT
OF THE
CITY OF BURBANK
BURBANK, CALIFORNIA
FISCAL YEAR ENDED June 30, 2012

Prepared by :
Financial Services Department
Cindy Giraldo
Financial Services Director

CITY OF BURBANK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED June 30, 2012

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**CITY OF BURBANK
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED June 30, 2012**

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(Unaudited)

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INTRODUCTORY SECTION

The Introductory Section of the Comprehensive Annual Financial Report provides general information of the City of Burbank, California's structure and its personnel, as well as information useful in assessing the City's financial condition. This section includes the:

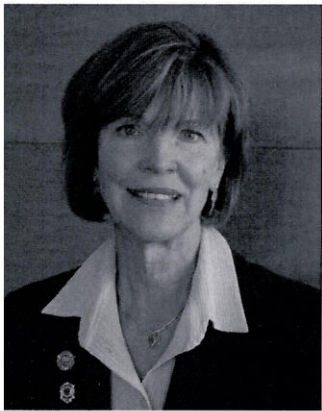
- Letter of Transmittal,
- City's Organizational Chart and List of Principal Officials,
- Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting.



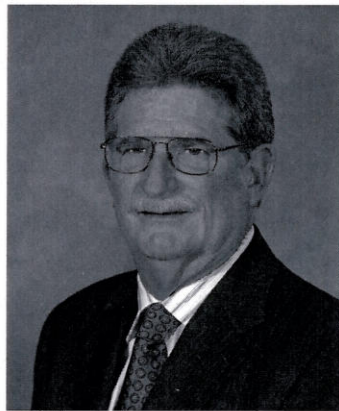
City of Burbank's Elected Officials and Principal Officers



Dave Golonski
Mayor



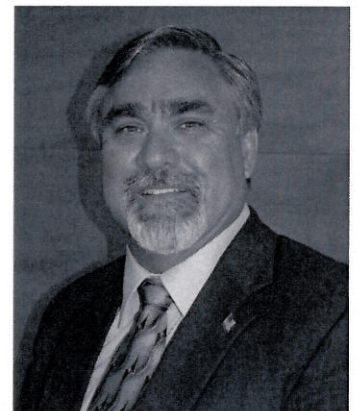
Emily Gabel-Luddy
Vice Mayor



Gary Bric
Council Member



Dr. David Gordon
Council Member



Jess Talamantes
Council Member



Zizette Mullins
City Clerk



Donna Anderson
City Treasurer



January 29, 2013

Honorable Mayor and Members of the City Council:

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Burbank for the fiscal year ended June 30, 2012. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. In our opinion, the data is accurate in all material aspects, is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and contains all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs.

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Burbank, California. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by McGladrey LLP a public accounting firm fully licensed and qualified to perform audits of local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Burbank, California for the fiscal year ended June 30, 2012, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Burbank, California's financial statements for the fiscal year ended June 30, 2012, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal

controls and legal requirements involving the administration of Federal awards. These reports are available in the City's separately issued *Single Audit Report*.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the CAFR.

Profile of the City of Burbank

The City of Burbank, incorporated in 1911 under the general laws of the State of California, is a long-established residential city and commercial center located within Los Angeles County in Southern California. The City of Burbank is a unique urban community located 12 miles northwest of downtown Los Angeles and nestled between the Hollywood Hills and the Verdugo Mountains. The City occupies a land area of 17.16 square miles and serves a population of 104,304.

The City of Burbank is a full-service charter city that operates on a Council-Manager form of government. The City Council consists of five members. The Mayor is selected from the City Council members and serves a one-year term. The City's other elected officials are the Treasurer and City Clerk whose term of office is four years.

The City provides a full range of municipal services. Services provided include public safety (police and fire), street construction and maintenance, sanitation, refuse collection and disposal, electric, water and sewer utilities, cultural and recreational, public improvements, planning and zoning, and general administrative and support services.

The annual budget serves as the foundation for the City financial planning and control. The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General Fund, Special Revenue Funds, Capital Projects Funds, and Proprietary Funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The level of appropriated budgetary control is the total adopted budget, which is defined as the total budget for all funds and divisions and includes all revisions and amendments approved by the City Council subsequent to the initial budget adoption. The City Manager may authorize transfers of appropriations within the adopted budget. Supplemental appropriations during the year must be approved by the City Council. These appropriations, representing amendments to the budget during the year, were significant in relationship to the original budget as adopted. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget. The City utilizes an encumbrance accounting system, whereby commitments such as purchase orders and unperformed contracts are recorded as reserved fund balances at year-end.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Burbank operates.

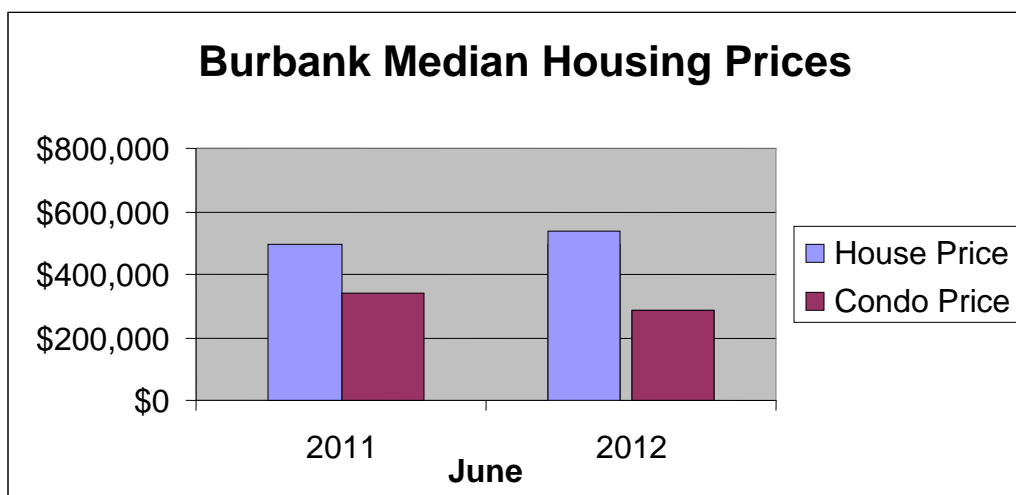
Local Economy. The City of Burbank's economic environment has felt the impacts of the economic downturn, but is still remaining strong in commercial, residential and retail development. The City of Burbank continues to focus on offering several new resources and projects to the community including the beautification of our neighborhoods and business districts, the attraction of new retail stores and restaurants, the development of needed Class A office space, and the expansion of the citywide transportation system.

In fiscal year 2011-12 cumulative sales tax revenues increased 4.83%, comprising approximately 23.2% of the total General Fund revenue. The increase was due to new retail businesses opening up and the strong diversified base of businesses within Burbank. The city will have a very diversified stream of sales tax revenues in the general fund during FY 2012-13.

Transient Occupancy Tax (TOT) contributed \$5.9 million to the general fund of the City of Burbank. This represents an increase of 4.5%. In fiscal year 2011-12 TOT represented 4.4% of the City's total General Fund revenue base.

Transient Parking Tax contributed \$2.8 million to the general fund of the City of Burbank as activity at the pay parking lots within the City decreased. This represents a decrease of \$0.065 million dollars to the general fund. This revenue decrease is attributable in part to a decrease in: the number of visitors to Burbank to attend events, meetings and convention activities mainly due to the nationwide economic downturn.

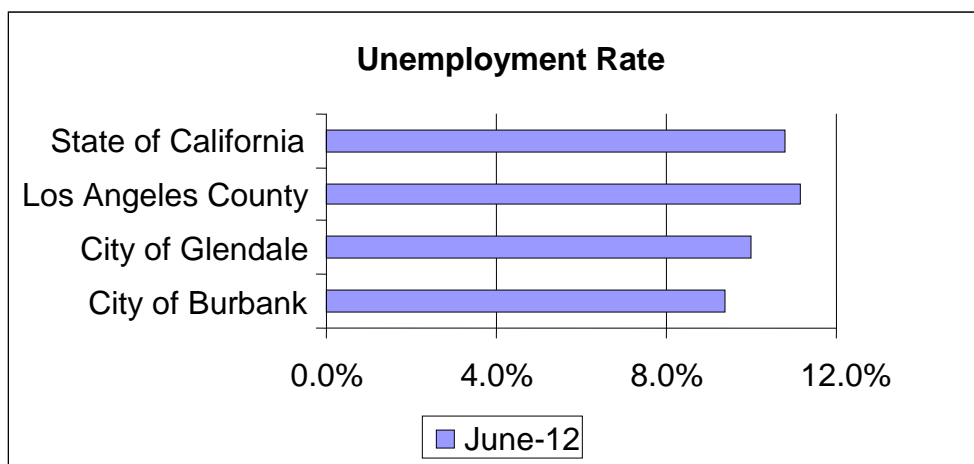
Burbank's housing market showed an increase in home prices as reflected in median home price of \$525,000 in June 2012, compared to \$490,000 in June 2011. Condominium sales reflected a decline, with a median value of \$318,000 in June 2012, compared to \$360,000 in June 2011.



The City is turning its focus onto economic development. The goal is to uphold a strong commitment to economic development to advance job growth, increase retail/commercial vitality and maintain excellent quality of life for all. The components to this strategy are as follows: Strategically position Burbank as a competitive regional, statewide and national hub for business and residence; Focused retail attraction, retention and expansion; Position Burbank as a travel destination; Continue to identify and encourage strategic areas of innovative development within the City; and Enhanced outreach and communications.

Retail sales in Downtown Burbank continue to thrive with activity anchored by AMC movie theaters and IKEA, with several exciting retailers such as Bed, Bath and Beyond and Old Navy, as well as eateries like Wokcano Restaurant, Gordon Biersch, Barney's Beanery, Gourmet 88 Market City Café, Buffalo Wild Wings and Granville Cafe. Downtown also has achieved an important goal of attracting "tech savvy" guests with higher disposable incomes by offering free Wi-Fi service in Downtown Burbank. New businesses opened up during the year such as Crunch Fitness, My Big Fat Greek Restaurant, Fresh and Easy Express and DC Comics.

Perhaps one of the most virtually unnoticed economic indicators in the City is Burbank's very low office space vacancy rate. Burbank is experiencing an office market with an office vacancy rate of 9.5% compared to 9.8% in June 2011. Burbank's desirable location and robust economy, is evidenced by strong rental rates of over \$2.78 per square foot. The employment picture is better when compared to the county and state, as evidenced by unemployment rate of 9.0% in June 2012, compared to Glendale's rate of 9.7%, L.A. County's rate of 11.1%, and California's rate of 10.7%.



Making the most of the City of Burbank resources for the benefit of the entire community is at the heart of the Mayor and City Council's commitment to wise fiscal management and to economic development that seeks to build Burbank's revenue base by bringing jobs and businesses to the City. Clearly, the ongoing emphasis is on sustainability, investment, and reinvestment that continues to build a strong healthy community and improve the quality of life for Burbank residents, businesses and visitors.

Long-term financial planning. The Burbank City Council has annually prepared and adopted a 5-year forecast of Capital Improvement Projects, grouping them by categories such as low moderate housing, municipal facilities, pedestrian access and roadways, transportation, and the various utilities, to name a few. Some of the budgeted amounts for FY 2012-13 are as follows: \$4.2M for street improvements, \$4.8M for wastewater, and lastly, \$31.6M for various projects in the electric and water, funds. Total projected improvements for the next fiscal year are \$47.8M. All of these investments in the various areas reflect the City Council's commitment to maintain or improve the City of Burbank, and provide the citizens with the highest possible service. Additionally, an even more important tool, a 5-year Financial Forecast is perpetually maintained to identify and focus on current economic conditions. This document is used regularly in the annual budget preparation, as well as throughout the fiscal year to assess any state or local economic/political action that might impact the City of Burbank.

Cash management policies and practices. Under the direction of the elected City Treasurer, cash temporarily idle during the year was invested in obligations of the Federal Government, corporate notes, and the State of California Local Agency Investment Pool. The average yield on investments for the fiscal year was 1.37% for the general portfolio, compared to 1.60% in fiscal year 2010-11.

The City Council annually adopts, by resolution, a statement of investment policy for the City's funds. The policy defines the objectives and priorities of the investment program, stressing safety and liquidity of funds as the highest priority. The third priority stated by the policy is the achievement of the maximum yield possible within the constraints of the primary objectives.

The City Treasurer is charged with the responsibility of custody and investment of surplus City funds. The Treasurer is required to submit a monthly investment report to the City Council that provides a summary of the status of the current investment portfolio and material transactions entered into during the month.

Risk Management. The City is self-insured for comprehensive general liability claims up to \$1M. The City is a member in a self-insurance program called Authority for California Cities Excess Liability (ACCEL) to better manage its risk exposure and predictability of costs. The ACCEL program covers claims between \$1M and \$5M, and the City purchases an Excess Comprehensive General Liability Policy for \$45M of insurance for a total of \$50M in coverage.

The City is self-insured for Workers' Compensation up to \$2M per claim. Excess worker's Compensation insurance is then purchased up to statutory limits.

The City also maintains both a Risk Management Office and Safety Office to effectively address potential risk factors that affect both the City and its employees. Risk Management Staff continues to review funding levels to address ever increasing claims costs. If the City were not to address these issues may result in significant impacts to department budgets in future years.

Internal insurance premiums are set annually based upon input from Risk Management and additional analysis from an outside actuarial study. Employee medical coverage is obtained through the Public Employees' Retirement System or through programs offered by one of the labor associations.

Pension and other Post Employment Benefits. The City provides its full-time and certain part-time employees retirement and disability benefits to members and their beneficiaries through three defined benefit pension plans; one for its fire safety employees, one for its police safety employees, and one for its miscellaneous employees. These plans are part of the California Public Employees' Retirement System (CalPERS). The City makes contributions to the plans based on amounts determined by CalPERS actuaries. The City also contributes the employees' required contributions or a portion thereof on their behalf and for their account.

The City provides access to post-retirement health and dental care benefits to employees in accordance with vendor contracts and agreements with the various employees' bargaining groups. The City pays a minimum employer contribution amount per their contract with CalPERS. This is what is referred to as PEMCHA. This amount is determined by CalPERS each year and reduces the medical plan deduction amount on each, individual retiree pension check

(current amount is \$112 per month). The City is then billed for each minimum employer contribution (or PEMCHA offset) on their monthly invoice from CalPERS. If a retiree is not enrolled in a CalPERS medical plan, there is no employer contribution. As of June 30, 2012, the City was providing benefits to approximately 494 participants.

The Burbank Employee Retiree Medical Trust was established to provide post-retiree medical benefits for all non-safety employees, including all elected and appointed officials. This defined contribution plan is funded by employees and the City. This plan was established in April 2003 through the collective bargaining process.

The *Post Employment Health Plan* (PEHP) was established in February 2006 to provide retirement medical benefits to the Burbank Fire Fighter's Association (BFF), and the Burbank Fire Fighters Chief Officers' Unit (BFF-COU). The plan is a multi-employer trust comprised of over 800 public entities across the United States, and is administered by Nationwide Retirement Solutions. This defined contribution plan is funded by employees and the City. This plan was established through the collective bargaining process, and has approximately 146 retired participants as of June 2012.

Lastly, the *Welfare Benefit Plan* (VEBA) was established as a defined contribution plan to provide post retirement medical benefits to members of the Burbank Police Officers Association (BPOA), as well as others from the International Brotherhood of Electrical Workers (IBEW) and the Burbank Management Association (BMA). The BPOA remains the only active association in this plan, which currently has 221 members.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burbank for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. This was the 28th consecutive year that the City of Burbank has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting from the GFOA is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial Services Department. Each member of the department has our sincere appreciation for the contribution made in the preparation of this report.

In closing, without the leadership and support of the City Council of the City, preparation of this report, as well as the favorable financial results of the past year, would not have been possible.

Respectfully,

A handwritten signature in cursive script, appearing to read "Joy R. Forbes".

JOY FORBES
Deputy City Manager

A handwritten signature in cursive script, appearing to read "Cindy Giraldo".

CINDY GIRALDO
Financial Services Director

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Burbank for its comprehensive annual financial report for the fiscal year ended June 30, 2011. This was the 28th consecutive year that the City of Burbank has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Burbank
California

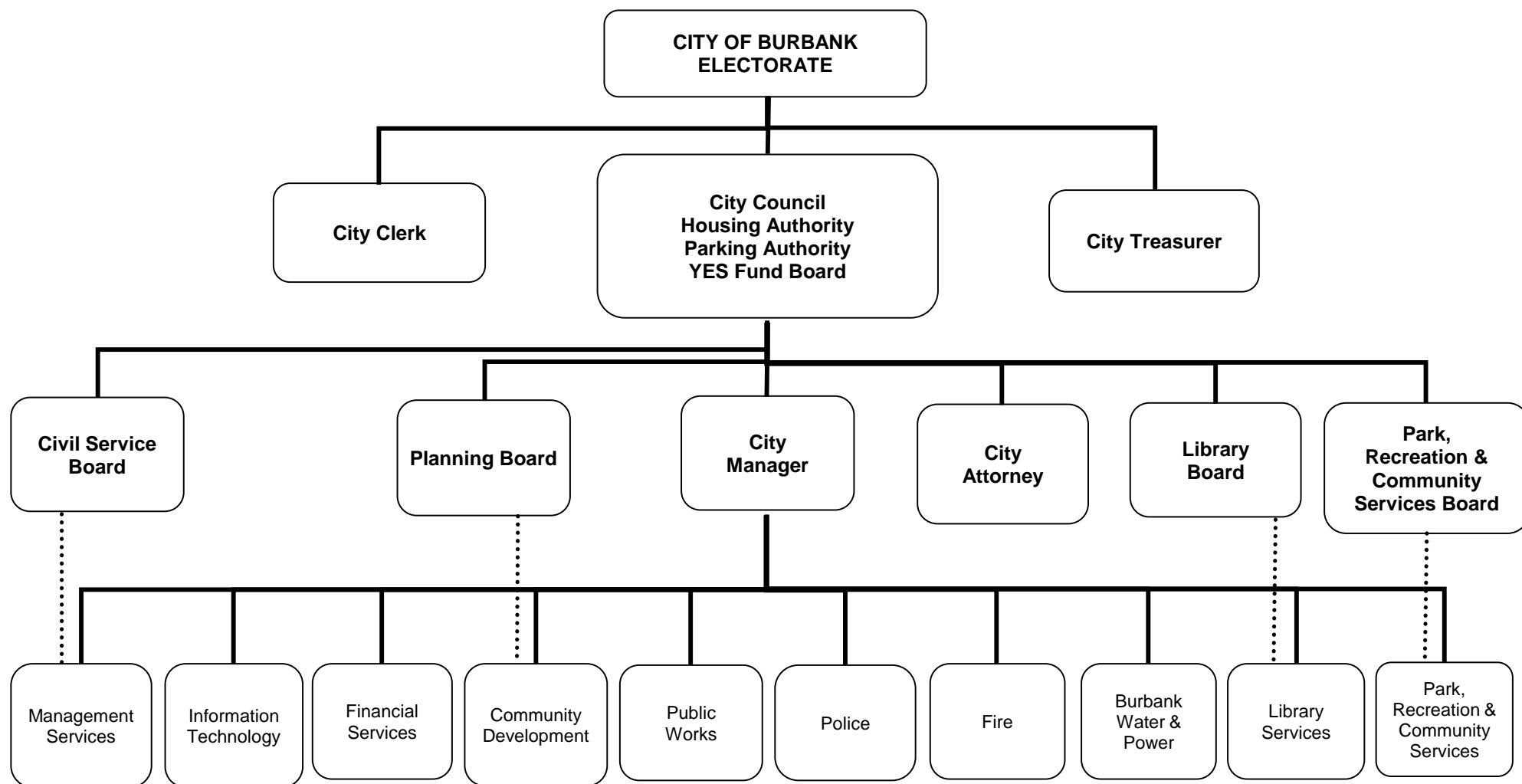
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Morine
President

Jeffrey R. Enen
Executive Director



Boards, Committees and Commissions in Burbank Municipal Code (Not in City Charter)

Art In Public Places Committee
 Board of Building and Fire Code Appeals
 Burbank Water & Power Board
 Civic Pride Committee

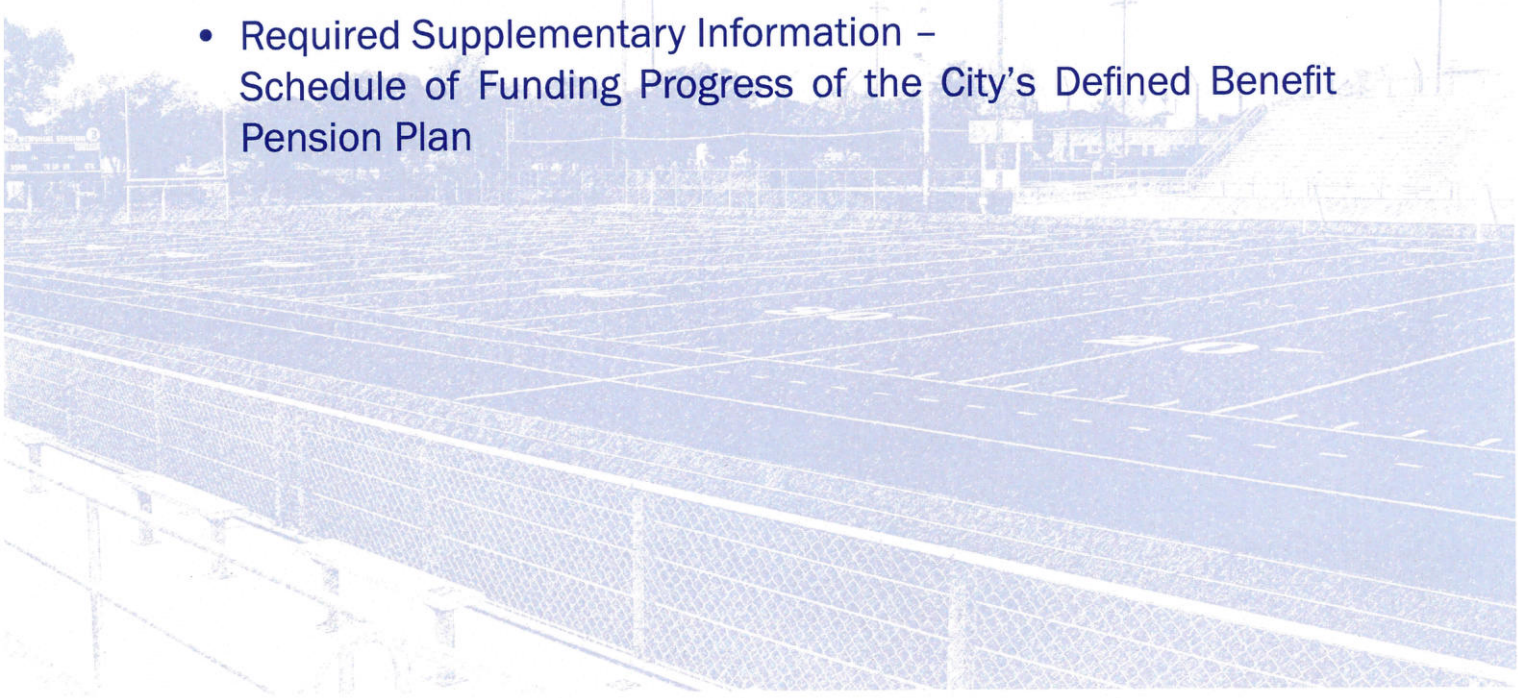
Heritage Commission
 Landlord-Tenant Commission
 Police Commission
 Senior Citizen Board

Traffic and Transportation Committee
 Transportation Commission
 Youth Board

FINANCIAL SECTION

The Financial Section of the Comprehensive Annual Financial Report contains the following:

- Independent Auditor's Report
- Required Supplementary Information – Management's Discussion and Analysis (MD and A)
- City's basic financial statement, which includes the following:
 - The Government-wide Financial Statements
 - Fund Financial Statements
 - Notes to Basic Financial Statements
- Required Supplementary Information – Schedule of Funding Progress of the City's Defined Benefit Pension Plan





Independent Auditor's Report

To the Honorable Members of the City Council
City of Burbank, CA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Burbank, California (the City) as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Low and Moderate Income Housing Special Revenue Fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

As discussed in Note 1K, the City's Low and Moderate Income Housing Fund has outstanding loans receivable from a developer. These loans have 55-year terms and collectibility of these loans is not expected until the end of the term.

U.S. GAAP requires that the Management Discussion and Analysis and schedules of pension and other post-employment benefits funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, and other schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and other schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. GAAS. In our opinion, the combining and individual nonmajor fund financial statements, and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

McGladrey LLP

Los Angeles, CA
January 16, 2013

City Of Burbank

Management's Discussion and Analysis

As management of the City of Burbank, California (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page I of this report. All data presented in this analysis is rounded to the nearest thousand.

(A) Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$1,451,344 (net assets). Of this amount, \$334,772 (Unrestricted net assets) may be used to meet the City's ongoing obligations.
- The city's total net assets increased by \$105,651 during the current fiscal year due to the dissolution of the Redevelopment Agency.
- As of June 30, 2012, the City's governmental funds reported combined fund balances of \$298,603, a decrease of \$61,139 from the prior year. Of this amount, \$46,556 or approximately 16% of total fund balances are unassigned fund balances.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$47,098, or 31% of total General Fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements 2) fund financial statements and 3) notes to basic financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the City include general government, police, fire, public works, community development, parks and recreation, library, and interest on long-term debt. The

City Of Burbank

Management's Discussion and Analysis

business-type activities of the City include operations of its electric, water, water reclamation and sewer, refuse collection and disposal, as well operating the golf course.

The government-wide financial statements can be found on page 20 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 29 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the General Capital Projects Fund, the Golden State Debt Service Fund, the Merged Capital Projects Fund, the Low and Moderate Income Housing Fund and the Public Financing Authority Capital Projects Fund, each of which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the *Non-major Governmental Funds* section of this report.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison statement is provided for all funds with an annually adopted budget. The budgetary comparison statement for the General Fund is located in the basic financial statements. All other funds with legally adopted annual budgets are located in the supplementary information section.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, water reclamation and sewer, refuse collection and disposal, and golf operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions.

City Of Burbank

Management's Discussion and Analysis

The City uses internal service funds to account for the following activities:

- Self-insurance activities, including:
 - General claims liability
 - Workers' compensation insurance
- Vehicle operation and maintenance
- Office equipment operation and maintenance
- Municipal building replacement, operation and maintenance
- Communication equipment operation and maintenance
- Computer equipment operation and maintenance

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the electric, water, water reclamation and sewer, refuse collection and disposal and golf operations, all of which, except for the golf fund, are considered major funds of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the *Internal Service Funds* section of this report.

The basic proprietary fund financial statements can be found on page 31 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on page 38 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. *Required Supplementary Information* can be found on page 89 of this report.

Supplementary information on nonmajor governmental funds and internal service funds are presented immediately following *the required supplementary information* on pensions. Combining and individual fund statements and schedules can be found on page 92 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$1,451,344 at the close of the most recent fiscal year.

The largest portion of the City's net assets (71%) reflects its investment in capital assets (e.g., land, buildings, utility and general government infrastructure, machinery and equipment, etc.),

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less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The second largest portion of the City's net assets (20%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

An additional portion of the City's net assets (9%) represent resources that are subject to external restrictions on how they may be used. Of these restricted net assets, nearly all 9% is related to restrictions in the City's special revenue and capital projects funds, with less than 1% restricted for public safety functions.

TABLE 1- The City of Burbank's Net Assets as of June 30, 2012 and 2011 (000's):

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Assets :						
Current and other assets	\$ 438,593	\$ 508,520	192,034	197,072	630,627	705,592
Capital assets	750,743	755,445	434,593	419,145	1,185,336	1,174,590
Total assets	1,189,336	1,263,965	626,627	616,217	1,815,963	1,880,182
Liabilities :						
Current and other liabilities	36,966	50,692	39,872	36,027	76,838	86,719
Long-term liabilities	110,313	261,088	177,468	186,682	287,781	447,770
Total liabilities	147,279	311,780	217,340	222,709	364,619	534,489
Net Assets :						
Invested in capital assets net of related debt	750,743	666,460	273,150	247,901	1,023,893	914,361
Restricted	86,936	71,363	-	12,413	86,936	83,776
Unrestricted	204,378	214,362	136,137	133,194	340,515	347,556
Total net assets	<u>\$1,042,057</u>	<u>\$ 952,185</u>	<u>409,287</u>	<u>393,508</u>	<u>1,451,344</u>	<u>1,345,693</u>

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, both for the City as a whole, as well as for its separate governmental and business-type activities.

The City's net assets increased by \$105,651 during the current fiscal year. The key component of this increase was the dissolution of the Redevelopment Agency. More detailed analysis of major fund income is presented beginning on page 11.

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Management's Discussion and Analysis

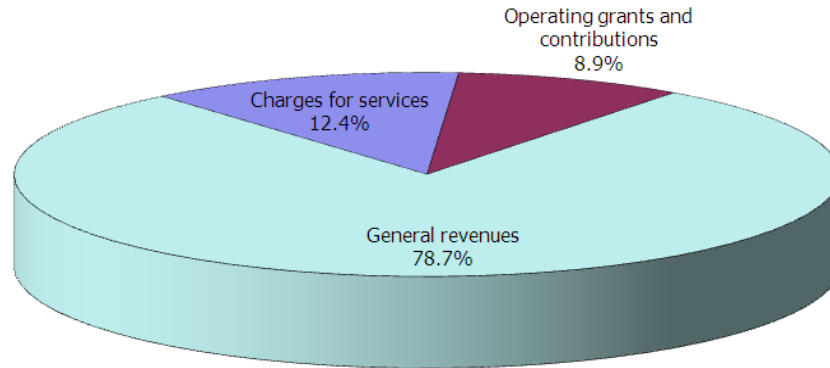
TABLE 2-The City's Changes in Net Assets (000's) for the years ended June 30, 2012 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues :						
Program revenues :						
Charges for services	\$ 24,530	\$ 19,866	262,292	280,908	286,822	300,774
Operating grants and contributions	17,869	19,238	4,502	9,071	22,371	28,309
Capital grants and contributions	-	-	1,705	4,120	1,705	4,120
General revenues :						
Property tax	46,328	66,240	-	-	46,328	66,240
Sales tax	31,352	29,907	-	-	31,352	29,907
Utility users tax	19,784	18,524	-	-	19,784	18,524
Motor-vehicle in-lieu tax	8,436	8,938	-	-	8,436	8,938
Investment earnings	9,565	14,315	2,358	3,327	11,923	17,642
Other	43,184	35,521	2,218	1,706	45,402	37,227
Total revenues	201,048	212,549	273,075	299,132	474,123	511,681
Expenses :						
General government	7,437	2,649	-	-	7,437	2,649
Police	48,453	43,161	-	-	48,453	43,161
Fire	31,543	31,648	-	-	31,543	31,648
Public works	39,573	55,699	-	-	39,573	55,699
Community Development	71,720	70,190	-	-	71,720	70,190
Parks & Recreation	19,803	20,363	-	-	19,803	20,363
Library	6,961	7,014	-	-	6,961	7,014
Interest on long-term debt	13,936	21,970	-	-	13,936	21,970
Water reclamation & sewer	-	-	13,408	13,577	13,408	13,577
Nonmajor funds	-	-	2,576	2,669	2,576	2,669
Electric utility	-	-	190,725	223,891	190,725	223,891
Water utility	-	-	24,126	22,453	24,126	22,453
Refuse collection & disposal	-	-	14,810	14,117	14,810	14,117
Total expenses	239,426	252,694	245,645	276,707	485,071	529,401
Increase (decrease) in net assets before transfers	(38,378)	(40,145)	27,430	22,425	(10,948)	(17,720)
Extraordinary gain/(loss) on dissolution of redevelopment agency #1	(37,354)	-	-	-	(37,354)	-
Extraordinary gain/(loss) on dissolution of redevelopment agency #2	153,953	-	-	-	153,953	-
Transfers	11,651	11,354	(11,651)	(11,354)	-	-
Increase (decrease) in net assets	89,872	(28,791)	15,779	11,071	105,651	(17,720)
Net assets, July 1	952,185	970,908	393,508	382,437	1,345,693	1,353,345
Net assets, June 30	\$1,042,057	\$ 942,117	409,287	393,508	1,451,344	1,335,625

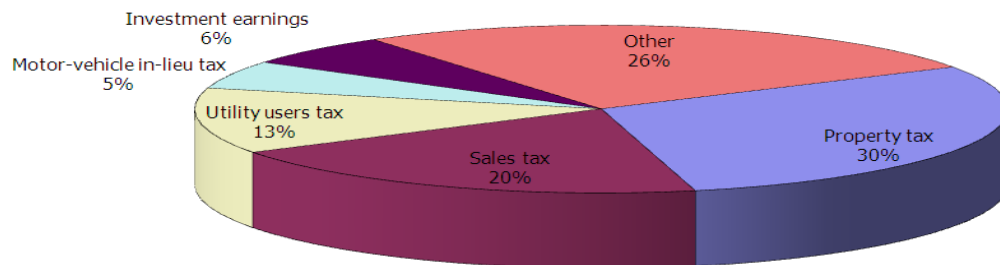
Governmental Activities. Governmental activities increased the City's net assets by \$89,872, mostly due to the dissolution of the Redevelopment Agency. Total expenses decreased by 11%, while general revenues and transfers decreased by 5%.

City Of Burbank
Management's Discussion and Analysis

Revenues - Governmental Activities



General Revenues - Governmental Activities

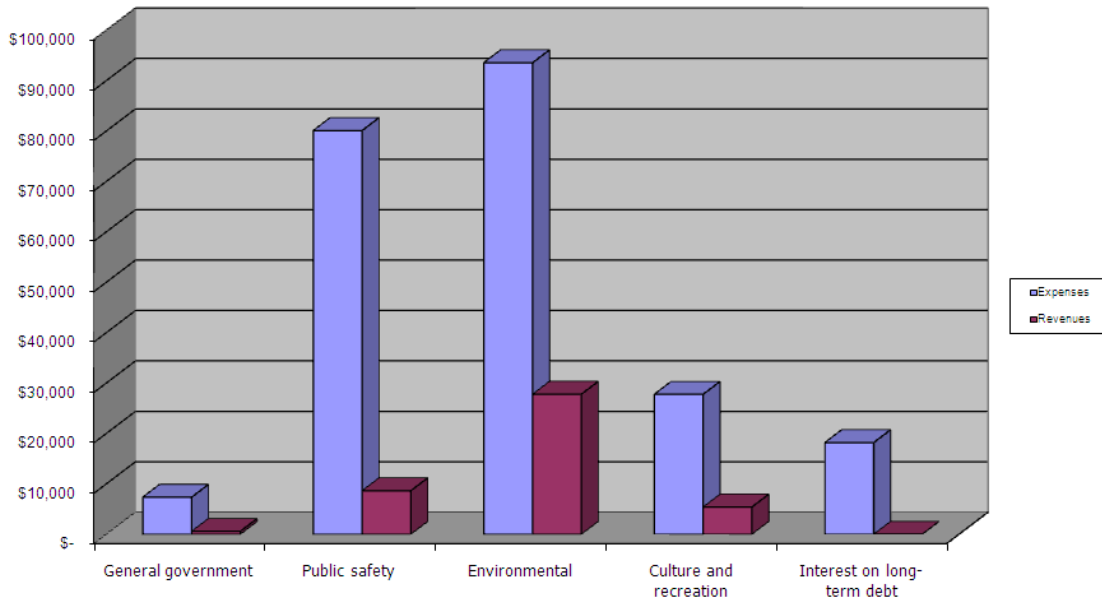


City Of Burbank

Management's Discussion and Analysis

- *Taxes decreased overall during the current year. Property taxes decreased 30% due to the dissolution of the Redevelopment Agency, and utility user's taxes increased 7%. Sales taxes increased 5%. The net overall decrease in taxes was 19%, or \$27,092.*

Expenses and Program Revenues - Governmental



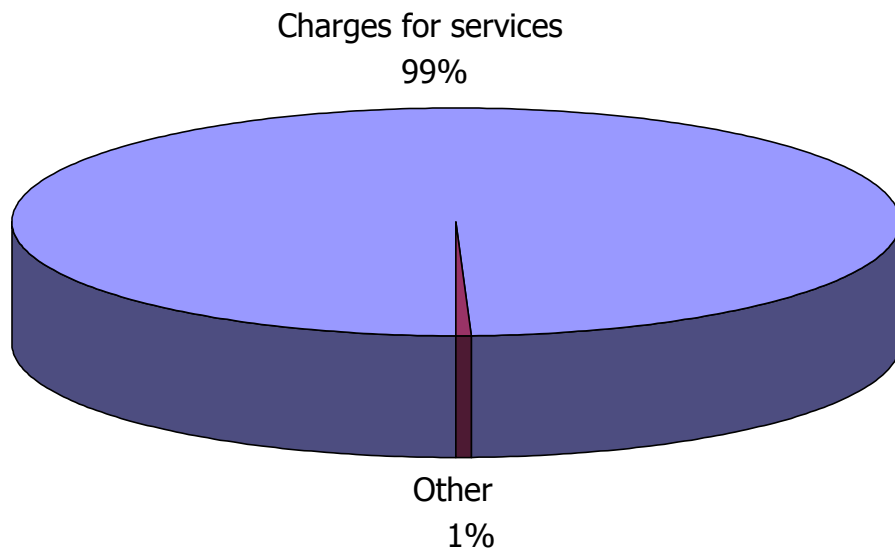
- *The charts above illustrate the City's governmental expenses and revenues by source. Environmental (Public Works and Community Development departments, 41%) is the largest function in expense, followed by Public Safety (Police and Fire departments, 35%), and Culture and Recreation (Library, and Parks and Recreation departments, 13%). General revenues such as property, business, and sales taxes are not shown by program, but are effectively used to support program activities citywide. For governmental activities overall, without regard to program, property taxes are the largest single source of funds (28%), followed by sales taxes (19%), utility users tax (12%), and investment earnings (6%).*

Business-type Activities. Business –type activities increased the City's net assets by \$15,779, accounting for 11% of the growth in the City's net assets, indicating that business-type activities had revenues sufficient to cover operations. The key elements of this increase are as follows:

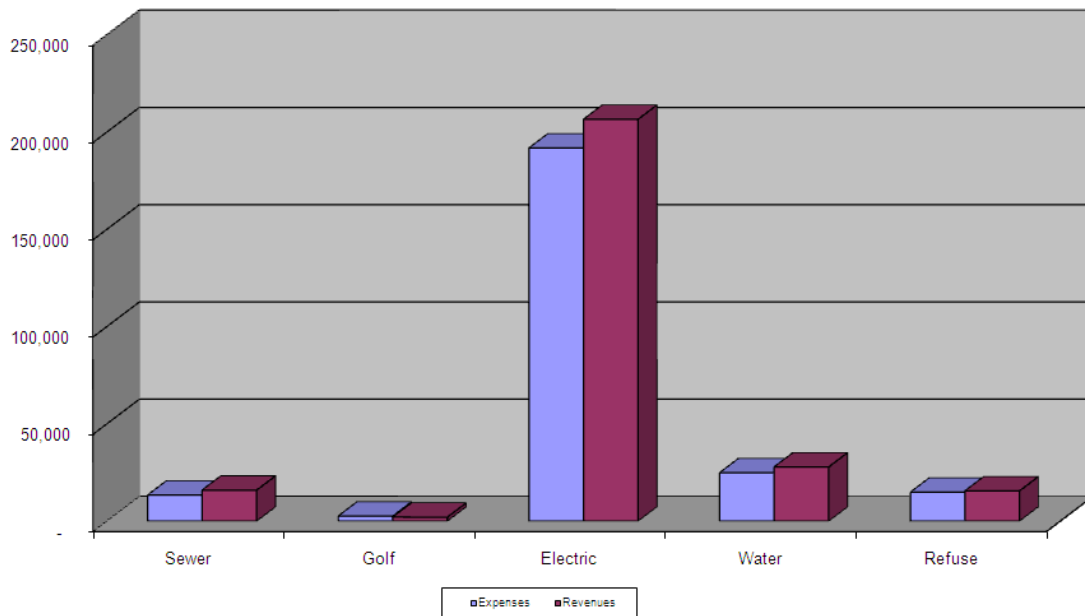
- *Rate increases were the primary factor leading to additional service charge revenue in all proprietary funds. The Electric utility fund had increased net assets of \$8,795; mainly due to improved expense management.*

City Of Burbank
Management's Discussion and Analysis

Revenues by Source - Business-type



**Expenses and Program Revenues -
Business-type**



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Management's Discussion and Analysis

Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$298,603. Approximately 16% of fund balances (\$46,556) constitute *unassigned fund balances*. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$44,583), 2) to pay debt service (\$88,021), 3) Reflect amounts due from other funds that are long term in nature and thus do not represent available spendable resources (\$31,174), 4) to show amounts related to long-term notes (\$37,782), and 5) for a variety of other restricted purposes (\$50,487).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$47,098, while the total fund balance was \$86,565. As a measure of General Fund liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 31% of total General Fund expenditures of \$152,537, while total fund balance represents 70% of that same amount.

The fund balance of the City's General Fund decreased by \$14,342 during the current fiscal year. Key factors of this decrease are as follows:

- Property taxes decreased due to the dissolution of the Redevelopment Agency.
- Interest earnings decreased by \$4,750 due to the steady decline in interest rates.
- Sales tax was \$1,445 higher due new retail businesses opening in the City.

Significant budget variances in the General fund, from original budget to final, included a \$1,249 increase in the police, \$295 for the fire department budget, \$423 for the Community Development budget and \$95 for the Public Works budget, composed of various budget entries to balance the budget, transfers in from holding accounts, and mid-year appropriation adjustments.

The Golden State debt service fund and the Merged capital projects area were dissolved as part of the dissolution of the Redevelopment agency and all balances were transferred to the Successor Agency Private-Purpose Trust Fund.

The Low and Moderate Income Housing (Low/Mod) fund holds all capital project activity required by the 20% set aside rule for redevelopment projects. At the end of the current fiscal year, the unassigned fund balance was \$0, while total fund balance was \$37,378. The unassigned fund balance represents 0% of total Low/Mod fund expenditures of \$6,976. The fund balance of the Low/Mod fund decreased by \$39,824 during the current fiscal year. This decrease is attributable to the dissolution of the Redevelopment Agency, therefore decreasing the amount of set-aside the Low and Moderate Income Housing fund received.

City Of Burbank

Management's Discussion and Analysis

The General capital projects fund holds all general City capital project activity. At the end of the current fiscal year, the unassigned fund balance was \$0, while total fund balance was \$54,744. This unassigned fund balance represents 0% of total General capital projects fund expenditures of \$15,935, while total fund balance represents 344% of that same amount. The fund balance of the General capital projects fund decreased by \$10,951 during the current fiscal year. This result is primarily attributable to the fact that funds were not transferred in to offset capital project expenditures. When projects are started, funds are either transferred immediately or on an as-needed basis, this was not the case during the fiscal year. While nearly \$16,000 in capital expenses were incurred, nearly \$4,000 was received in transfers in, with the remainder being fund balance.

The Public Financing Authority (PFA) capital projects fund holds investments in Golden State and City Centre tax allocation bonds and records the debt service activity of its outstanding bonded indebtedness. At the end of the current fiscal year, the unassigned fund balance was zero, while total fund balance was \$88,021. Total fund balance represents 1,351% of total Public Financing Authority capital projects fund expenditures of \$6,516. The fund balance decreased by \$2,316 during the current fiscal year. This decrease is attributable to the payments on outstanding tax allocation bonds; as the fund pays down the PFA bonds outstanding, its assets are expected to decline, until all bonds are paid off and the funds' assets decrease to zero.

Proprietary Funds. The City's Proprietary Funds provide the same type of information found in the government wide financial statements, but in more detail.

Enterprise Funds. As of June 30, 2012, the unrestricted net assets of the enterprise funds totaled \$130,394 and total increase in unrestricted net assets was \$2,800. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

The Water Reclamation and Sewer fund holds the City's sewer system enterprise. At the end of the current fiscal year, the unrestricted net assets were \$28,973, while total net assets were \$79,956. The unrestricted net assets represent 228% of total Water Reclamation and Sewer fund expenses of \$12,756, while total net assets represents 627% of that same amount. The net assets of the Water Reclamation and Sewer fund increased by \$2,809 during the current fiscal year. This increase is attributable to an increase in revenues of \$974 due to a 4% rate increase. Also our budget is conservative and we continue to better manage the contract with the City of Los Angeles for the use of the Hyperion plant, thus reducing our financial obligation to them.

The Electric Utility fund holds the City's Electric power and distribution system. At the end of the current fiscal year, the unrestricted net assets were \$73,696, while total net assets were \$252,075. The unrestricted net assets represent 41% of total Electric Utility fund expenses of \$179,252, while total net assets represent 141% of that same amount. The net assets of the Electric Utility fund increased by \$8,795 during the current fiscal year. Revenues declined due to lower demand related to cooler than normal summer, weak economy and an increase in energy efficient appliances and lighting fixtures. It is not unexpected for both power sales and purchases to be significantly higher than budgets; it means that the City is prepared for instability in the electric markets, and able to ensure its ability to provide energy to its customers.

The Water Utility fund holds the City's water system enterprise. At the end of the current fiscal year, the unrestricted net assets were \$16,189, while total net assets were \$58,031. The unrestricted net assets represent 74% of total Water Utility fund expenses of \$22,551, while total net assets represent 258% of that same amount. The net assets of the Water Utility fund increased by \$3,279 during the current fiscal year. This increase is primarily attributable to increased revenues of \$3,401 caused by a 4.9% rate increase.

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Management's Discussion and Analysis

The Refuse Collection and Disposal fund holds the City's refuse collection and disposal enterprise. At the end of the current fiscal year, the unrestricted net assets were \$14,457, while total net assets were \$14,457. The unrestricted net assets represent 99% of total Refuse Collection and Disposal fund expenses of \$14,736, while total net assets represents 99% of that same amount. The net assets of the Refuse Collection and Disposal fund increased by \$1,465 during the current fiscal year. This increase is attributable to an increase in revenues of \$458, due to an 8% rate increase. The rate increase was established to cover anticipated rising operational expenses. Operational expenses rose \$798.

Internal Service Funds. The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, including liability insurance, and workers' compensation insurance, vehicle operations and maintenance, office equipment operations and maintenance, building replacement and maintenance, communication equipment operation and maintenance, and computer equipment operation and maintenance. As of June 30, 2012, unrestricted net assets of the internal service funds were \$45,133 and total decrease in net assets for these funds were \$3,939.

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Other factors concerning the finances of the internal service funds have already been addressed in the discussion of the City's governmental activities.

General Fund Budgetary Highlights

The City adopts annual appropriated operating budgets for its governmental funds (General fund, special revenue funds, debt service funds, and capital project funds) and reports the results of operations on a budget comparison basis.

In preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council amended the originally adopted budget to re-appropriate prior year approved projects and expenditures, as well as approving many other adjustments for the current year.

The General Fund reflected a net total favorable budget variance of \$4,740 when comparing actual amounts to the final budget for the current fiscal year. The largest savings came from police expenditures of \$2,225.

General Fund revenue came in above estimates by \$2,899. The major contributor to this increase is an increase in taxes of \$1,811. Sales tax increased \$1,445.

City Of Burbank

Management's Discussion and Analysis

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities amounts to \$1,185,336 (net of accumulated depreciation of \$590,433) as of June 30, 2012, and \$1,174,590 (net of accumulated depreciation of \$554,972) as of June 30, 2011. This investment in capital assets includes land, buildings, utility systems, improvements other than buildings, infrastructure (roads, sidewalks, land held under easement, streetlights, etc.), machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets from 2011 to 2012 was 1.0 percent before depreciation (an increase of 12.7% for governmental activities and an increase of 10.2% for business-type activities).

Governmental assets stayed flat. The increase in business-type capital assets primarily is comprised of the new Smart Grid for \$22,937.

The City has adopted a multi-year capital improvement program totaling over \$340 million over the next five years (the City budgets its capital program in rolling 5-year increments). The City budgets these projects in 12 major categories: community facilities, golf course, low moderate housing, municipal facilities, park and recreation, pedestrian access and roadway, redevelopment, refuse collection and disposal, transportation, wastewater, electric, and water. Among these categories, the major projects that were planned for the fiscal year 2011-12 included \$1,321 for municipal facilities, \$6,009 for pedestrian access and roadways and \$60,527 for various projects in the electric, water, wastewater, and refuse funds. The City had construction commitments of \$35,454 at June 30, 2012 and budgeted capital projects totaling \$77,988 for FY 2012.

City Of Burbank

Management's Discussion and Analysis

Table 3-The City's capital assets (net of accumulated depreciation) for June 30, 2012 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Capital assets not being depreciated :						
Land	\$ 107,618	\$ 107,618	11,824	11,824	119,442	119,442
Land held under easements	345,277	345,277	-	-	345,277	345,277
Construction in progress	12,287	18,893	27,177	59,495	39,464	78,388
Internal service fund assets						
Construction in progress	706	2,384	-	-	706	2,384
Total capital assets not being depreciated :	465,888	474,172	39,001	71,319	504,889	545,491
Capital assets being depreciated :						
Land improvements	4,492	4,492	13,182	13,458	17,674	17,950
Rights to purchased power	-	-	1,335	1,335	1,335	1,335
Buildings & improvements	188,887	178,537	631,550	575,768	820,437	754,305
Infrastructure	288,734	280,241	-	-	288,734	280,241
Machinery & other	1,326	1,162	63,985	53,805	65,311	54,967
Internal service fund assets	77,389	75,273	-	-	77,389	75,273
Accumulated depreciation	(275,973)	(258,432)	(314,460)	(296,540)	(590,433)	(554,972)
Total capital assets being depreciated, net	284,855	281,273	395,592	347,826	680,447	629,099
Total net capital assets	<u>\$ 750,743</u>	<u>\$ 755,445</u>	<u>434,593</u>	<u>419,145</u>	<u>1,185,336</u>	<u>1,174,590</u>

Additional information on the City's capital assets can be found in notes to the basic financial statements on page 52 of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$235,187, including current portion of \$9,765. Of this amount, \$16,175 represents pension obligation bonds, issued to pay for police and fire unfunded accrued actuarial liability, \$58,525 represents tax allocation bonds issued for redevelopment projects, and \$160,487 represents revenue bonds issued for various business type activities. Additions to the City's bonded indebtedness were due to the Electric fund issuing debt totaling \$9,810. Deductions from long-term debt include repayments of outstanding principal totaling \$30,231.

Table 4-The City's outstanding bonded debt for June 30, 2012 and 2011:

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Pension Obligation bonds	16,175	16,915	-	-	16,175	16,915
Revenue bonds	58,525	213,539	160,487	170,610	219,012	384,149
Total long-term debt	<u>\$ 74,700</u>	<u>\$ 230,454</u>	<u>160,487</u>	<u>170,610</u>	<u>235,187</u>	<u>401,064</u>

City Of Burbank

Management's Discussion and Analysis

Ratings on outstanding debt (not including debt considered fully defeased) are provided below. The ratings below are from Moody's Investor Services, Standard and Poor's, and Fitch, Inc. (Note that the insured rating is given rather than the underlying rating on insured issues.

Table 5-The City's Debt Ratings:

<u>Debt Issue</u>	<u>Moody's</u>	<u>S & P</u>
▪ 1993A Golden State	Ba1	A
▪ 1993A Wastewater Revenue	Aa3	AA+*
▪ 2002A Waste Disposal(taxable)	A2*	AA+*
▪ 2002B Waste Disposal(tax exempt)	A2*	AA+*
▪ 2002 West Olive	Ba1	BBB+*
▪ 2003A Golden State	Ba1	A*
▪ 2003B South San Fernando	Ba1	BBB+*
▪ 2003C City Centre	Ba1	AA+
▪ 2004 Pension Obligation	-	-
▪ 2005 Communities Facilities	Aa3	-
▪ 2007A Golden State	Ba1	A*
▪ 2010A Electric Revenue	A1	AA-*
▪ 2010B Electric Revenue	A1	AA-*
▪ 2010A Water Revenue	-	AAA
▪ 2010B Water Revenue	-	AA-
▪ 2012A Electric Revenue	-	AA-

* Starred rating is the underlying rating.

Additional information on the City's long term debt can be found in Note 8 of this report.

Economic Factors and Next Year's General Fund Budget

Revenues. The City's FY 2013 General Fund forecasted revenues total \$149.2M which reflects an decrease of \$3.4M or 2.3% over FY 2012. Sales tax is forecasted to increase \$.6M (2.6%) primarily due to increasing consumer, business and industry spending and the opening of new retail businesses. Utility users tax will increase \$.6M (2.8%) due to increased electrical revenues. Despite the real estate slowdown property tax is projected to increase \$5.4M (20.0%) reflecting the additional taxes the general fund will receive due to the dissolution of the redevelopment agency.

Expenditures. The City's General Fund operating budget for FY 2013 reflects a decrease of 3.4% in expenditures. In the FY 2012-13 budget, various positions were frozen across the city.

City Of Burbank

Management's Discussion and Analysis

Economic Factors. The City's unemployment rate was 9.0% in June of 2012. This compares favorably to the County of Los Angeles' unemployment rate of 11.1%.

Request for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Additional financial information is available on our website at <http://www.ci.burbank.ca.us>. Questions concerning any of the information in this report or request for additional financial information should be addressed the Director of Financial Services, 301 E. Olive Avenue, Burbank, CA 91502.

City Of Burbank

STATEMENT OF NET ASSETS

June 30, 2012

(in thousands)

	Governmental Activities	Business-type Activities	Total
Assets :			
Cash and investments (note 4)	\$ 236,944	104,016	340,960
Receivables, net (note 9)	12,076	21,606	33,682
Internal balances (note 7)	2,521	(2,521)	-
Intergovernmental receivables	863	-	863
Inventories	1,000	7,132	8,132
Prepaid items and deposits (note 15)	95	28,177	28,272
Land held for resale	526	-	526
Deferred charges and other assets	-	2,874	2,874
Pension/OPEB asset (notes 6, 18 and 19)	34,449	3,657	38,106
Restricted cash and investments (note 4)	84,590	27,093	111,683
Advances receivable from Burbank Successor Agency (note 7)	27,747	-	27,747
Developer loans receivable	37,782	-	37,782
Capital assets not being depreciated (note 5)	465,888	39,072	504,960
Capital assets, net of accumulated depreciation (note 5)	284,855	395,521	680,376
Total assets	1,189,336	626,627	1,815,963
Liabilities :			
Accounts payable	8,469	2,628	11,097
Accrued liabilities (note 12)	11,881	12,542	24,423
Intergovernmental payables	15	-	15
Unearned revenue	-	5,498	5,498
Deposits	3,330	12,620	15,950
Advances payable to Burbank Successor Agency (note 7)	2,007	-	2,007
Bond interest payable	84	642	726
Current portion of long-term liabilities (note 8)	14,820	5,942	20,762
Long-term liabilities, net of current portion (note 8)	106,673	177,468	284,141
Total liabilities	147,279	217,340	364,619
Commitments and Contingencies (notes 6, 8, 10, 11, 17, 18 and 20)			
Net Assets :			
Invested in capital assets, net of related debt (note 2)	750,743	278,893	1,029,636
Restricted for :			
Public safety	1,474	-	1,474
Environmental	85,462	-	85,462
Unrestricted	204,378	130,394	334,772
Total net assets	\$ 1,042,057	409,287	1,451,344

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF ACTIVITIES

Year ended June 30, 2012

(in thousands)

Functions / Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Total
Governmental Activities :							
General government	\$ 7,437	393	185	-	(6,859)	-	(6,859)
Police	48,453	3,763	1,311	-	(43,379)	-	(43,379)
Fire	31,543	3,174	384	-	(27,985)	-	(27,985)
Public works	39,573	1,361	3,012	-	(35,200)	-	(35,200)
Community development	71,720	11,467	11,946	-	(48,307)	-	(48,307)
Parks and recreation	19,803	4,188	948	-	(14,667)	-	(14,667)
Library	6,961	184	83	-	(6,694)	-	(6,694)
Interest on long-term debt	13,936	-	-	-	(13,936)	-	(13,936)
Total Governmental Activities	239,426	24,530	17,869	-	(197,027)	-	(197,027)
Business-Type Activities :							
Water Reclamation and Sewer	13,408	15,915	-	-	-	2,507	2,507
Golf Activities	2,576	2,005	-	-	-	(571)	(571)
Electric Utility	186,279	202,216	4,485	551	-	20,973	20,973
Water Utility	24,126	26,682	-	1,154	-	3,710	3,710
Refuse Collection & Disposal	14,810	15,474	17	-	-	681	681
Total Business-Type Activities	241,199	262,292	4,502	1,705	-	27,300	27,300
Total	\$ 480,625	286,822	22,371	1,705	(197,027)	27,300	(169,727)
General revenues :							
Taxes:							
Property Tax					46,328	-	46,328
Sales Tax					31,352	-	31,352
Utility Users Tax					19,784	-	19,784
Franchise Tax					4,631	-	4,631
Motor Vehicle In-lieu Tax (Intergovernmental, unrestricted)					8,436	-	8,436
Transient Occupancy Tax					5,943	-	5,943
Transient Parking Tax					2,821	-	2,821
Other taxes					12,805	38	12,843
Unrestricted investment earnings					9,565	2,358	11,923
Grants/contributions not restricted to specific programs					446	-	446
Other					16,538	(2,266)	14,272
Extraordinary gain/(loss) on dissolution of redevelopment agency #1 (note 21)					(37,354)	-	(37,354)
Extraordinary gain/(loss) on dissolution of redevelopment agency #2 (note 21)					153,953	-	153,953
Transfers (note 7)					11,651	(11,651)	-
Total general revenues, contributions, extraordinary items and transfers:					286,899	(11,521)	275,378
Change in net assets					89,872	15,779	105,651
Net assets, July 1, 2011					952,185	393,508	1,345,693
Net assets, June 30, 2012					\$ 1,042,057	409,287	1,451,344

See accompanying notes to basic financial statements

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

(in thousands)

		Special Revenue	Debt Service		Capital Projects
		Low/Mod			
	General	Income Housing	Golden State	Public Fin. Authority	Merged Proj. Area
Assets :					
Pooled cash and cash investments (note 4)	\$ 63,620	176	-	9,386	-
Restricted non-pooled cash					
and cash equivalents (note 4)	-	-	-	25,176	-
Restricted investments (note 4)	-	-	-	53,430	-
Receivables, net (note 9)	10,297	37,782	-	29	-
Interfund receivables (note 7)	128	-	-	-	-
Intergovernmental receivables	731	-	-	-	-
Inventories	91	-	-	-	-
Prepaid items and deposits (note 15)	19	-	-	-	-
Land held for resale	-	526	-	-	-
Advances receivable (note 7)	30,544	-	-	-	-
Total assets	<u>\$ 105,430</u>	<u>38,484</u>	<u>-</u>	<u>88,021</u>	<u>-</u>
Liabilities and Fund balances :					
Liabilities :					
Accounts payable	\$ 743	1,106	-	-	-
Accrued liabilities (note 12)	11,881	-	-	-	-
Deferred revenue (note 19)	1,664	-	-	-	-
Interfund payable (note 7)	4	-	-	-	-
Intergovernmental payables	15	-	-	-	-
Deposits	3,231	-	-	-	-
Advances payable (note 7)	1,327	-	-	-	-
Total liabilities	<u>18,865</u>	<u>1,106</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances :					
Nonspendable:					
Interfund advances	30,544	-	-	-	-
Inventories	91	-	-	-	-
Change and imprest	168	-	-	-	-
Prepaid items	19	-	-	-	-
Restricted :					
Transportation	-	-	-	-	-
Federal and state grants	99	-	-	-	-
Public safety	-	-	-	-	-
Debt service	-	-	-	88,021	-
Redevelopment	-	37,378	-	-	-
Capital projects	8	-	-	-	-
Committed :					
Transportation	-	-	-	-	-
Assigned	8,538	-	-	-	-
Unassigned	47,098	-	-	-	-
Total fund balances (deficits)	<u>86,565</u>	<u>37,378</u>	<u>-</u>	<u>88,021</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 105,430</u>	<u>38,484</u>	<u>-</u>	<u>88,021</u>	<u>-</u>

See accompanying notes to basic financial statements

(continued)

City Of Burbank

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2012

(in thousands)

	Capital Projects General Cap. Proj.	Nonmajor Govern- mental Funds	Total Govern- mental Funds
Assets :			
Pooled cash and cash investments (note 4)	\$ 49,939	34,919	158,040
Restricted non-pooled cash			
and cash equivalents (note 4)	5,112	-	30,288
Restricted investments (note 4)	872	-	54,302
Receivables, net (note 9)	160	1,011	49,279
Interfund receivables (note 7)	-	1	129
Intergovernmental receivables	1	131	863
Inventories	-	352	443
Prepaid items and deposits (note 15)	-	46	65
Land held for resale	-	-	526
Advances receivable (note 7)	680	-	31,224
Total assets	<u>\$ 56,764</u>	<u>36,460</u>	<u>325,159</u>
Liabilities and Fund balances :			
Liabilities :			
Accounts payable	\$ 1,340	4,090	7,279
Accrued liabilities (note 12)	-	-	11,881
Deferred revenue (note 19)	-	-	1,664
Interfund payable (note 7)	-	136	140
Intergovernmental payables	-	-	15
Deposits	-	16	3,247
Advances payable (note 7)	680	323	2,330
Total liabilities	<u>2,020</u>	<u>4,565</u>	<u>26,556</u>
Fund balances (Note 9):			
Nonspendable:			
Interfund advances	-	-	30,544
Inventories	-	352	443
Change and imprest	-	-	168
Prepaid items	-	-	19
Restricted :			
Transportation	-	6,918	6,918
Federal and state grants	-	2,655	2,754
Public safety	-	1,474	1,474
Debt service	-	-	88,021
Redevelopment	-	-	37,378
Capital projects	-	1,674	1,682
Committed:			
Transportation	-	19,364	19,364
Assigned	54,744	-	63,282
Unassigned	-	(542)	46,556
Total fund balances (deficits)	<u>54,744</u>	<u>31,895</u>	<u>298,603</u>
Total liabilities and fund balances	<u>\$ 56,764</u>	<u>36,460</u>	<u>325,159</u>

See accompanying notes to basic financial statements

City Of Burbank

RECONCILIATION OF THE FUND BALANCES OF GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

June 30, 2012

(in thousands)

Fund balances of governmental funds	\$ 298,603
Amounts reported for governmental activities in the statement of net assets are different because :	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in governmental funds.	750,743
Long term liabilities are not due and payable in the current period and therefore are not reported in governmental funds.	(88,451)
Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as a payable in the governmental funds.	(84)
Other Post-employment benefits and pension payments in excess of the annual required contribution are not considered financial resources in the governmental funds; however in the statement of net assets, an asset is recognized.	34,449
Deferred revenue is recognized on the governmental funds balance sheet for certain notes, which do not meet the criteria for availability, and are thus deferred under modified accrual. This criteria is not applicable on the statement of net assets.	1,664
Internal service funds are used by management to charge the costs of the City's self- insurance programs and equipment rental and replacement operations to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Net assets, less capital assets and long-term liabilities disclosed above, are shown here.	<u>45,133</u>
Net assets of governmental activities	<u><u>\$ 1,042,057</u></u>

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS

Year ended June 30, 2012

(in thousands)

		Special Revenue	Debt Service		Capital Projects
		Low/Mod Income Housing	Golden State	Public Fin. Authority	Merged Proj. Area
Revenues :	General				
Taxes	\$ 87,641	4,960	16,076	-	-
Licenses & permits	4,228	-	-	-	-
Fines, forfeitures and penalties	2,590	-	-	-	-
Use of money or property	2,367	-	1,711	4,200	415
Intergovernmental	10,127	-	-	-	-
Charges for services	27,984	255	-	-	150
Total revenues	134,937	5,215	17,787	4,200	565
Expenditures :					
General government :					
City council	475	-	-	-	-
City attorney	3,624	-	-	-	-
City clerk	933	-	-	-	-
City treasurer	667	-	-	-	-
City manager	2,030	-	-	-	-
Financial services	4,160	-	-	-	-
Management services	4,956	-	-	-	-
Administrative services	-	1,821	-	-	3,667
Information technology	4,454	-	-	-	-
Non-departmental	4,760	-	-	-	-
Total general government	26,059	1,821	-	-	3,667
Public safety :					
Police	46,724	-	-	-	-
Fire	29,974	-	-	-	-
Total public safety	76,698	-	-	-	-
Environmental :					
Community development	8,484	-	-	-	-
Public works	15,524	-	-	-	-
Total environmental	24,008	-	-	-	-
Culture and recreation :					
Library	6,328	-	-	-	-
Parks and recreation :					
Parks	8,733	-	-	-	-
Recreation	7,610	-	-	-	-
Special community activities	2,361	-	-	-	-
Total parks and recreation	18,704	-	-	-	-
Total culture and recreation	25,032	-	-	-	-

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS

Year ended June 30, 2012

(in thousands)

		Special Revenue	Debt Service		Capital Projects
		Low/Mod Income Housing	Golden State	Public Fin. Authority	Merged Proj. Area
	General				
Capital outlay :					
Street improvements	-	-	-	-	-
General capital improvements	-	5,155	-	-	34
Total capital outlay	-	5,155	-	-	34
Debt service :					
Principal retirement	740	-	8,245	3,525	-
Interest and finance charges	-	-	5,462	2,991	-
Total debt service	740	-	13,707	6,516	-
Total expenditures	152,537	6,976	13,707	6,516	3,701
Excess (deficiency) of revenues over expenditures	(17,600)	(1,761)	4,080	(2,316)	(3,136)
Other financing sources (uses) :					
Transfers in (note 7)	11,503	-	-	-	6,000
Transfers out (note 7)	(8,245)	-	(2,319)	-	-
Total other financing sources (uses)	3,258	-	(2,319)	-	6,000
Income (Loss) before Extraordinary Item	(14,342)	(1,761)	1,761	(2,316)	2,864
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	-	(38,063)	(15,497)	-	30,123
Net change in fund balances	(14,342)	(39,824)	(13,736)	(2,316)	32,987
Fund balances (deficits), July 1, 2011	100,907	77,202	13,736	90,337	(32,987)
Fund balances (deficits), June 30, 2012	\$ 86,565	37,378	-	88,021	-

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS

Year ended June 30, 2012

(in thousands)

	<u>Capital Projects General Cap. Proj.</u>	<u>Nonmajor Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
Revenues :			
Taxes	-	13,573	122,250
Licenses & permits	-	-	4,228
Fines, forfeitures and penalties	-	-	2,590
Use of money or property	729	2,027	11,449
Intergovernmental	446	15,483	26,056
Charges for services	12	17,038	45,439
Total revenues	<u>1,187</u>	<u>48,121</u>	<u>212,012</u>
Expenditures :			
General government :			
City council	-	-	475
City attorney	-	-	3,624
City clerk	-	-	933
City treasurer	-	-	667
City manager	-	-	2,030
Financial services	-	-	4,160
Management services	-	-	4,956
Administrative services	-	1,060	6,548
Information technology	-	-	4,454
Non-departmental	-	-	4,760
Total general government	<u>-</u>	<u>1,060</u>	<u>32,607</u>
Public safety :			
Police	-	413	47,137
Fire	-	-	29,974
Total public safety	<u>-</u>	<u>413</u>	<u>77,111</u>
Environmental :			
Community development	-	35,317	43,801
Public works	-	-	15,524
Total environmental	<u>-</u>	<u>35,317</u>	<u>59,325</u>
Culture and recreation :			
Library	-	-	6,328
Parks and recreation :			
Parks	-	-	8,733
Recreation	-	-	7,610
Special community activities	-	-	2,361
Total parks and recreation	<u>-</u>	<u>-</u>	<u>18,704</u>
Total culture and recreation	<u>-</u>	<u>-</u>	<u>25,032</u>

See accompanying notes to basic financial statements

(continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS) - GOVERNMENTAL FUNDS Year ended June 30, 2012

(in thousands)

	<u>Capital Projects General Cap. Proj.</u>	<u>Nonmajor Govern- mental Funds</u>	<u>Total Govern- mental Funds</u>
Capital outlay :			
Street improvements	-	2,765	2,765
General capital improvements	15,935	6	21,130
Total capital outlay	<u>15,935</u>	<u>2,771</u>	<u>23,895</u>
Debt service :			
Principal retirement	-	2,770	15,280
Interest and finance charges	-	5,486	13,939
Total debt service	<u>-</u>	<u>8,256</u>	<u>29,219</u>
Total expenditures	<u>15,935</u>	<u>47,817</u>	<u>247,189</u>
Excess (deficiency) of revenues over expenditures	<u>(14,748)</u>	<u>304</u>	<u>(35,177)</u>
Other financing sources (uses) :			
Transfers in (note 7)	3,797	3,162	24,462
Transfers out (note 7)	-	(2,506)	(13,070)
Total other financing sources (uses)	<u>3,797</u>	<u>656</u>	<u>11,392</u>
Income (Loss) before Extraordinary Item	(10,951)	960	(23,785)
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	<u>-</u>	<u>(13,917)</u>	<u>(37,354)</u>
Net change in fund balances	(10,951)	(12,957)	(61,139)
Fund balances (deficits), July 1, 2011	<u>65,695</u>	<u>44,852</u>	<u>359,742</u>
Fund balances, June 30, 2012	<u><u>54,744</u></u>	<u><u>31,895</u></u>	<u><u>298,603</u></u>

See accompanying notes to basic financial statements

City of Burbank

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended June 30, 2012

(in thousands)

Net change in fund balances - total governmental funds (61,139)

Amounts reported for governmental activities in the statement of net activities
are different because :

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives, and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. (1,739)

The issuance of long-term debt such as bonds provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. In addition, compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These amounts are the net effect of these differences in the treatment of long-term debt and related items. 7,464

Extraordinary gains and losses relating to cash equivalents, capital assets, advances and long term liabilities transferred to the Successor Agency are reported in the Statement of Activities and do not require the use of current financial resources and, therefore, are not reported in the governmental funds. 153,953

Accrued interest payable for the period between the final interest payment date and the end of the fiscal year is not reported as an expense in the governmental fund statements. This difference between the prior year's accrued interest expense and the current year's accrued interest expense is reported in the statement of activities. 369

In accordance with GASB 27 and GASB 45, a net Pension asset and OPEB asset have been established for the government wide statements, as these assets do not impact current financial resources and are therefore not reported in governmental funds. This is total change in net pension and OPEB asset. (4,810)

Some revenues reported in the Statement of Activities do not increase current financial resources and therefore are not reported as revenues in governmental funds. (287)

Internal service funds are used by management to charge the costs of the City's self-insurance programs and equipment rental and replacement operations to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities. (3,939)

Change in net assets of governmental activities \$ 89,872

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL

GENERAL FUND

Year ended June 30, 2012

(in thousands)

				Variance with Final Budget
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues :				
Taxes	\$ 85,830	85,830	87,641	1,811
Licenses & permits	3,750	3,750	4,228	478
Fines, forfeitures and penalties	2,475	2,475	2,590	115
Use of money or property	1,472	1,518	2,367	849
Intergovernmental	9,793	9,793	10,127	334
Charges for services	28,632	28,672	27,984	(688)
Total revenues	131,952	132,038	134,937	2,899
Expenditures :				
General government :				
City council	557	553	475	78
City attorney	3,757	3,767	3,624	143
City clerk	1,118	1,118	933	185
City treasurer	723	723	667	56
City manager	2,074	2,139	2,030	109
Financial services	4,468	4,468	4,160	308
Management services	5,441	5,441	4,956	485
Information technology	4,998	4,999	4,454	545
Non-departmental	11,415	5,720	4,760	960
Total general government	34,551	28,928	26,059	2,869
Public safety :				
Police	47,700	48,949	46,724	2,225
Fire	29,366	29,661	29,974	(313)
Total public safety	77,066	78,610	76,698	1,912
Environmental :				
Community development	8,703	9,126	8,484	642
Public works	16,836	16,931	15,524	1,407
Total environmental	25,539	26,057	24,008	2,049
Culture and recreation :				
Library	6,669	6,700	6,328	372
Parks	8,626	8,697	8,733	(36)
Recreation	7,819	7,995	7,610	385
Special community activities	2,608	2,719	2,361	358
Total culture and recreation	25,722	26,111	25,032	1,079

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, BUDGET AND ACTUAL

GENERAL FUND

Year ended June 30, 2012

(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Debt service :				
Principal retirement	740	740	740	-
Total debt service	740	740	740	-
 Total expenditures	 163,618	 160,446	 152,537	 7,909
 Excess (deficiency) of revenues over expenditures	 (31,666)	 (28,408)	 (17,600)	 10,808
 Other financing sources (uses) :				
Transfers in	11,571	11,571	11,503	(68)
Transfers out	(728)	(2,245)	(8,245)	(6,000)
 Total other financing sources (uses)	 10,843	 9,326	 3,258	 (6,068)
 Net change in fund balances (deficits)	 (20,823)	 (19,082)	 (14,342)	 4,740
 Fund balance, July 1, 2011	 100,907	 100,907	 100,907	 -
 Fund balance, June 30, 2012	 \$ 80,084	 81,825	 86,565	 4,740

See accompanying notes to basic financial statements

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL LOW/MODERATE INCOME HOUSING SPECIAL REVENUE

Year ended June 30, 2012
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Property tax allocation	\$ -	-	4,960	4,960
Use of money and property	430	430	-	(430)
Charges for services	-	-	255	255
Total revenues	430	430	5,215	4,785
Expenditures :				
Administrative services	4,173	4,173	1,821	2,352
General capital improvements	18,679	18,679	5,155	13,524
Total expenditures	22,852	22,852	6,976	15,876
Excess (deficiency) of revenues over expenditures	(22,422)	(22,422)	(1,761)	20,661
Other financing sources :				
Transfers in	10,031	10,031	-	(10,031)
Total other financing sources	10,031	10,031	-	(10,031)
Loss before Extraordinary Item				
Extraordinary loss on dissolution of redevelopment agency (note 21)	-	-	(38,063)	(38,063)
Net change in fund balance	(12,391)	(12,391)	(39,824)	(27,433)
Fund balance, July 1, 2011	77,202	77,202	77,202	-
Fund balance, June 30, 2012	\$ 64,811	64,811	37,378	(27,433)

See accompanying independent auditors' report.

City Of Burbank

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2012

(in thousands)

	Business-type activities - Enterprise funds						Governmental
	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
Assets :							
Current assets :							
Pooled cash and investments (note 4)	\$ 26,085	52,144	16,570	8,936	281	104,016	78,904
Accounts receivable (note 9)	1,261	15,072	3,344	1,556	39	21,272	329
Interest receivable (note 9)	81	137	27	88	1	334	250
Interfund receivable (note 7)	-	3	-	-	-	3	9
Inventories	-	5,398	1,734	-	-	7,132	557
Prepaid expenses (note 15)	99	27,357	431	280	10	28,177	30
Total current assets	27,526	100,111	22,106	10,860	331	160,934	80,079
Non-current assets :							
Restricted pooled cash and investments (note 4)	-	-	-	18,831	-	18,831	-
Restricted non-pooled investments (note 4)	1,459	5,290	153	1,360	-	8,262	-
Deferred bond issuance costs	629	1,253	469	523	-	2,874	-
Advances receivable (note 7)	50	462	73	46	-	631	-
Pension/OPEB Asset (note 19)	-	3,657	-	-	-	3,657	-
Total other non-current assets	2,138	10,662	695	20,760	-	34,255	-
Capital assets (note 5) :							
Land	5,316	2,734	309	3,454	11	11,824	-
Land improvements	6,096	-	-	6,050	1,036	13,182	-
Rights to purchased power	-	1,335	-	-	-	1,335	-
Buildings and improvements	115,025	388,470	112,557	6,479	8,949	631,480	13,198
Machinery and equipment	2,374	42,940	5,038	13,242	391	63,985	64,191
Construction in progress	26	19,481	7,677	14	50	27,248	706
Less accumulated depreciation	(62,674)	(181,004)	(46,644)	(21,391)	(2,748)	(314,461)	(45,357)
Total capital assets, net of accumulated depreciation	66,163	273,956	78,937	7,848	7,689	434,593	32,738
Total non-current assets	68,301	284,618	79,632	28,608	7,689	468,848	32,738
Total assets	95,827	384,729	101,738	39,468	8,020	629,782	112,817

See accompanying notes to basic financial statements

(Continued)

City Of Burbank

STATEMENT OF NET ASSETS

PROPRIETARY FUNDS

June 30, 2012

(in thousands)

	Business-type activities - Enterprise funds						Governmental
	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Activities- Internal Service Funds
Liabilities :							
Current liabilities :							
Accounts payable	92	1,619	715	133	69	2,628	1,190
Accrued expenses (note 12)	274	8,712	3,290	237	29	12,542	-
Compensated absences payable (note 8)	4	367	28	55	-	454	42
Unearned revenue	-	5,498	-	-	-	5,498	-
Interfund payable (note 7)	-	1	-	-	-	1	-
Customer deposits	103	10,776	1,276	465	-	12,620	83
Bond interest payable	57	345	176	64	-	642	-
Current portion of revenue bonds (note 8)	740	3,460	490	575	-	5,265	-
Current portion of loan payable (note 8)	-	-	223	-	-	223	-
Outstanding claims self insurance (note 16)	-	-	-	-	-	-	8,920
Total current liabilities	1,270	30,778	6,198	1,529	98	39,873	10,235
Long-term liabilities (net of current portion) (note 8) :							
Revenue bonds	14,440	97,407	36,097	7,278	-	155,222	-
Landfill closure & post closure (note 8)	-	-	-	15,651	-	15,651	-
Loan payable (note 8)	-	-	738	-	-	738	-
Compensated absences (note 8)	161	4,469	674	553	-	5,857	248
Outstanding claims - self insurance (note 16)	-	-	-	-	-	-	23,832
Advances payable (note 7)	-	-	-	-	3,154	3,154	631
Total long-term liabilities (net of current portion)	14,601	101,876	37,509	23,482	3,154	180,622	24,711
Total liabilities	15,871	132,654	43,707	25,011	3,252	220,495	34,946
Net assets :							
Invested in capital assets, net of related debt	50,983	178,379	41,842	-	7,689	278,893	32,738
Restricted for debt service	-	-	-	-	-	-	-
Unrestricted (deficit)	28,973	73,696	16,189	14,457	(2,921)	130,394	45,133
Total net assets	\$ 79,956	252,075	58,031	14,457	4,768	409,287	77,871

See accompanying notes to basic financial statements

City Of Burbank

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS PROPRIETARY FUNDS Year ended June 30, 2012 (in thousands)

	Business-type activities - Enterprise funds					Governmental
	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Activities- Internal Service Funds
Operating revenues :						
Sales of water and power	\$ -	197,272	25,734	-	-	223,006
Charges for services	15,915	4,944	948	15,474	2,005	39,286
Total operating revenues	15,915	202,216	26,682	15,474	2,005	262,292
Operating expenses :						
Operations and maintenance	6,219	33,642	-	8,911	1,977	50,749
Purchased water and power	-	130,633	19,510	-	-	150,143
Inspection and investigation	1,654	-	-	-	-	1,654
Design and permits	1,037	-	-	182	-	1,219
Refuse disposal	-	-	-	2,634	-	2,634
Recycling	-	-	-	1,832	-	1,832
Depreciation	3,846	14,977	3,041	1,177	570	23,611
Total operating expenses	12,756	179,252	22,551	14,736	2,547	231,842
Operating income (loss)	3,159	22,964	4,131	738	(542)	30,450
Nonoperating income (expense) :						
Interest income	273	1,517	248	318	2	2,358
Intergovernmental	-	4,485	-	17	-	4,502
Other local taxes	-	-	38	-	-	38
Gain/(loss) on disposal of capital assets	-	(1,745)	-	289	-	(1,456)
Interest expense	(652)	(5,282)	(1,575)	(363)	(29)	(7,901)
Other income/(expense) - net	29	(3,197)	436	466	-	(2,266)
Total nonoperating income (expense)	(350)	(4,222)	(853)	727	(27)	(4,725)
Income (loss) before capital contributions and transfers	2,809	18,742	3,278	1,465	(569)	25,725
Transfers in (note 7)	-	-	-	-	-	-
Capital contributions	-	551	1,154	-	-	1,705
Transfers out (note 7)	-	(10,498)	(1,153)	-	-	(11,651)
Change in net assets	2,809	8,795	3,279	1,465	(569)	15,779
Net assets, July 1, 2011	77,147	243,280	54,752	12,992	5,337	393,508
Net assets, June 30, 2012	\$ 79,956	252,075	58,031	14,457	4,768	409,287

See accompanying notes to basic financial statements

City Of Burbank
STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
Year ended June 30, 2012
(in thousands)

	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Government Activities- Internal Service Funds
Cash flows from operating activities :							
Cash received from customers	\$ 15,840	195,071	25,016	15,368	1,997	253,292	27,585
Cash paid to suppliers	(7,667)	(138,771)	(16,247)	(7,276)	(1,969)	(171,930)	(25,330)
Cash paid to employees	(1,308)	(18,739)	(4,959)	(5,022)	-	(30,028)	(2,343)
Net cash provided by (used in) operating activities	6,865	37,561	3,810	3,070	28	51,334	(88)
Cash flows from noncapital financing activities :							
Proceeds from City of Burbank	-	-	-	-	29	29	-
Proceeds from other governmental agencies	-	4,485	-	17	-	-	-
Proceeds from other funds	-	-	-	-	-	-	1,008
Advances from other funds	50	-	-	47	-	97	-
Other income (expense)	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	2,026
Transfers to other funds	-	(10,498)	(1,153)	-	-	(11,651)	(198)
Net cash provided by (used in) noncapital financing activities	50	(6,013)	(1,153)	64	29	(11,525)	2,836
Cash flows from capital and related financing activities :							
Contributed capital	-	551	1,154	-	-	1,705	-
Proceeds from sales of capital assets	-	-	-	289	-	289	50
Acquisition and construction of assets	(545)	(32,140)	(10,597)	(222)	(2)	(43,506)	(4,618)
Principal payments - bonds	(710)	(19,675)	(480)	(550)	-	(21,415)	-
Principal payments - loan payable	-	-	(194)	-	-	(194)	-
Proceeds from debt issuance	-	9,810	521	-	-	10,331	-
Interest paid	(656)	(5,733)	(1,488)	(368)	(29)	(8,274)	-
Net cash used in capital and related financing activities	(1,911)	(47,187)	(11,084)	(851)	(31)	(61,064)	(4,568)
Cash flows from investing activities :							
Interest received	278	1,522	282	335	2	2,419	824
Sales of restricted investments	-	4,151	-	-	-	4,151	-
Net cash provided by investing activities	278	5,673	282	335	2	6,570	824
Net increase (decrease) in cash and cash equivalents	5,282	(9,966)	(8,145)	2,618	28	(14,685)	(996)
Cash and cash equivalents, July 1, 2011	20,803	62,110	24,715	25,149	253	133,030	79,900
Cash and cash equivalents, June 30, 2012	\$ 26,085	52,144	16,570	27,767	281	122,847	78,904

See accompanying notes to basic financial statements

(Continued)

City Of Burbank
STATEMENT OF CASH FLOWS, (concluded)
ALL PROPRIETARY FUND TYPES
Year ended June 30, 2012
(in thousands)

	Water Rec & Sewer	Electric Utility	Water Utility	Refuse Collection & Disposal	Nonmajor Enterprise Funds	Total	Government Activities- Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities :							
Operating income (loss)	\$ 3,159	22,964	4,131	738	(542)	30,450	(7,568)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities :							
Depreciation	3,846	14,977	3,041	1,177	570	23,611	7,580
Gain/(loss) on sale of fixed assets	-	(1,745)	-	-	-	-	-
(Increase) decrease in accounts receivable	(75)	(2,201)	(718)	(106)	(8)	(3,108)	(21)
(Increase) decrease in due to/from City of Burbank	-	(3)	-	-	-	(3)	-
(Increase) decrease in advances receivable	-	556	80	-	-	636	-
(Increase) decrease in inventories	-	814	(148)	-	-	666	(40)
(Increase) decrease in prepaid items	7	(5,903)	29	20	-	(5,847)	27
(Increase) decrease in deferred bond issuance cost	20	563	(366)	(66)	-	-	-
Increase in outstanding claims payable	-	-	-	-	-	-	1,475
Increase (decrease) in accrued expense	(97)	(498)	(2,958)	160	8	(3,385)	(1,587)
Increase (decrease) in compensated absences	7	187	(7)	7	-	194	51
Increase (decrease) in deferred revenue	-	5,498	-	-	-	-	(5)
Increase (decrease) in interfund payable	-	(444)	(51)	-	-	-	-
Increase (decrease) in accrued payroll	(1)	-	-	-	-	(1)	-
Increase (decrease) in customer deposits	(30)	1,547	303	101	-	1,921	-
Increase in landfill closure and postclosure liabilities	-	-	-	573	-	573	-
Other nonoperating revenue	29	1,249	474	466	-	2,218	-
Total adjustments	3,706	14,597	(321)	2,332	570	17,475	7,480
Net cash provided by (used in) operating activities	\$ 6,865	37,561	3,810	3,070	28	51,334	(88)
Noncash investing, capital, and financing activities :							
Increase (decrease) in fair value of investments	\$ (125)	(69)	99	(99)	(4)	(198)	(14)

See accompanying notes to basic financial statements

City Of Burbank
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
June 30, 2012
(in thousands)

	Private - Purpose Trust Fund Successor Agency
Assets :	
Pooled cash and investments (note 4)	17,540
Restricted non-pooled cash and cash equivalents (note 4)	57,421
Restricted investments (note 4)	-
Accounts receivable (note 9)	28
Deferred bond issuance	1,950
Receivables from the City of Burbank (note 7)	2,007
	<hr/>
Total assets	78,946
	<hr/> <hr/>
Liabilities :	
Accounts payable	1,783
Deferred bond premium	4,342
Current portion of long term liabilities (note 8)	6,120
Long term liabilities, net of current portion (note 8)	144,901
Intergovernmental payable	38,063
Payable to the City of Burbank (note 7)	27,747
	<hr/>
Total liabilities	222,956
	<hr/>
Net assets (deficit):	
Unrestricted (deficit)	(144,010)
	<hr/>
Total net assets (deficit)	(144,010)
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See accompanying notes to basic financial statements

City Of Burbank
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year ended June 30, 2012
(in thousands)

	Private - Purpose Trust Fund Successor Agency
ADDITIONS :	
Receipts from City	13,109
Use of money or property	26
Intergovernmental	53
Total additions	<u>13,188</u>
DEDUCTIONS :	
Administrative expenses	144
Distribution to taxing entities	38,041
Interest expense (note 8)	<u>2,414</u>
Total deductions	<u>40,599</u>
Income before Extraordinary Item	(27,411)
Net assets transferred from governmental funds (Note 21)	37,354
Net Long-term liabilities transferred from governmental activities (Note 21)	<u>(153,953)</u>
Change in net assets	(144,010)
Net assets, July 1, 2011	<u>-</u>
Net assets (deficit), June 30, 2012	<u><u>(144,010)</u></u>

See accompanying notes to basic financial statements

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A - Reporting Entity

Included within the financial reporting entity, "City of Burbank" (the City), are the Burbank Redevelopment Agency (the Agency), the Burbank Parking Authority (the Parking Authority), the Public Facilities Financing Authority (PFFA), the Burbank Public Financing Authority (PFA), the Burbank Community Services Fund (BCSF), the Burbank Youth Endowment Services (YES), and the Burbank Housing Authority (Housing Authority). Although these entities are legally separate from each other, the City Council acts as the governing board of each entity; accordingly, the financial activities of these component units are blended in the accompanying basic financial statements. A description of the entities follows.

City of Burbank

The City was incorporated in July 1911, under the general laws of the State of California. The City Charter was adopted in January 1927, and most recently amended in April 2007. The City provides a full range of municipal services as contemplated by statute or charter. Services provided include public safety (police and fire), street construction and maintenance, sanitation, refuse collection, electric, water and sewer utilities, culture and recreation, public improvements, planning and zoning, housing and community development, and general administrative and support services.

Burbank Redevelopment Agency

The Agency was established in May 1970, and is a separate governmental entity as prescribed in the California community redevelopment law and set forth in the health and safety code of the State of California. California community redevelopment law provides that, on adoption of a redevelopment plan, all future incremental tax revenues attributable to increases in the tax base within a project shall be paid into a special fund of the Agency to pay the principal and interest on loans, advances and other indebtedness of the Agency.

The Agency has designated two principal project areas, the highlights of which are as follows:

Merged Project Area – This project area was adopted on October 26, 2004 by Ordinance 3654 and made effective December 4, 2004. The former Golden State, City Centre, and South San Fernando Project Areas make up the new Merged Project Area.

The Golden State Project was adopted in December 1970, to eliminate blight and create an improved industrial community. This project encompasses approximately 1,100 acres, including the Bob Hope Airport.

The City Centre Project was adopted in October 1971, to eliminate blight in the central business district of the City and to revitalize its commercial and retail climate. It encompasses approximately 200 acres, and the Agency is developing office, retail, restaurant, and other commercial facilities.

The South San Fernando Project was adopted in June 1997, and encompasses 468 acres. The project area was formed to eliminate blight, encourage development of properties supporting alternative transportation, and remove impediments to development by assembling properties into reasonable sizes and shapes.

The West Olive Project encompasses 128 acres and was adopted in December, 1976, to eliminate blight and to retain and encourage expansion of media-related business. In June 2001 the project was amended to enable the project area to continue to receive tax increment.

The Agency's financial data and transactions are included in the accompanying basic financial statements within the debt service and capital projects fund categories for the seven months ended January 31, 2012.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The redevelopment agency was dissolved as of January 31, 2012 through the Supreme Court decision on Assembly Bill 1 X 26. See Note 21 for more information on the dissolution.

Burbank Parking Authority

The Burbank Parking Authority is a public financing agency established by the City in May 1970, under the State of California Parking Law of 1949 to provide public parking facilities on a citywide basis. The Parking Authority's financial data and transactions are included in the accompanying basic financial statements within the capital projects funds category. Separate financial statements are not available for the Parking Authority.

Public Facilities Financing Authority

The Public Facilities Financing Authority (PFFA) was established in May 1987 by the City Council. The formation of the PFFA creates a financing entity through which Certificates of Participation can be issued for the proposed remodeling of various City buildings, the construction of a parking facility in the City Centre area, and various other additions or improvements to the City's infrastructure. Separate financial statements for the PFFA are not available. At June 30, 2011, the PFFA had no assets, liabilities or fund equity, nor did it enter into any financial transactions during the fiscal year.

Burbank Public Financing Authority

The Burbank Public Financing Authority (PFA) was established in March 1993, as a joint exercise of powers agreement (JPA) between the City of Burbank and the Redevelopment Agency. The purpose of the JPA is to provide for the financing of public capital improvements and for working capital requirements of the members, through the acquisition by the PFA of such capital improvements and for the purchase by the PFA of obligations of either of the members. Separate financial statements for the PFA are not available; financial data is presented in the basic financial statements as the Public Financing Authority debt service fund.

Burbank Community Services Fund

The Burbank Community Services Fund (Special revenue fund) was established in July 1998 as a 501 (C) (3) corporation. The purpose of this fund is to assist with support services, volunteer services, and educational services related to the development and maintenance of public facilities in the City of Burbank. Separate financial statements are not available for this fund; financial data is presented in the nonmajor funds column of the basic financial statements.

Burbank Youth Endowment Services Fund

The Youth Endowment Services (YES) capital projects fund was established in January 1991 as a 501 (C) (3) nonprofit corporation. The purpose of the YES fund is to provide youth-oriented facilities and programs, within and nearby the City's Redevelopment project areas. Each Redevelopment project area contributes 5% of the growth in tax increment above January 1991 values to the YES fund to fund these facilities and programs. The YES fund financial data and transactions are included in the accompanying basic financial statements as a capital projects fund. Separate financial statements are not available for the YES fund.

Burbank Housing Authority

The Housing Authority, established by the City Council in June 1975, is responsible for the administration of a federally funded housing assistance payments project undertaken by the City.

The Housing Authority created the City's housing assistance payments and affordable housing programs by separate agreements with the Department of Housing and Urban Development (HUD) in November 1975, as amended December 1976, March 1982, and May 1987.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

The agreements state that HUD and the Housing Authority will provide an annual contribution of funds, in accordance with section 8 of the United States Housing Act of 1937, in order to provide decent, safe and sanitary dwellings for low to moderate income families, and to increase the supply and quality of affordable housing within the City. The Housing Authority's financial data and transactions are included in the accompanying basic financial statements as special revenue funds. Separate financial statements are not available for the Housing Authority.

B - Financial Statement Presentation

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are properly excluded from program revenues, and are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. The City has categorized the Golden State Debt Service Fund as a major fund for public interest reasons. The City believes that this judgmentally determined major fund is particularly important to the financial statement users. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

C - Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar nonexchange transactions are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available susceptible to accrual. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period (e.g., charges for services, intergovernmental revenue, sales tax, property taxes, franchise taxes, motor vehicle fees, utility users taxes, etc). Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEBs, are recorded only when payment is due.

City of Burbank
Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Property taxes when levied for and taxpayer-assessed tax revenues (e.g., franchise taxes, sales taxes, motor vehicle fees, etc.), net of estimated refunds and uncollectible amounts, intergovernmental revenues, charges for services and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered measurable and available only when cash is received by the City.

The City reports the following major governmental funds :

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Low / Moderate Income Housing Special Revenue Fund - This fund is used to account for the 20% set aside dollars required to be used for housing projects under California redevelopment law.

Golden State Debt Service - This fund accounts for all debt service activities within that portion of the Merged Project Area known as the Golden State area. This fund was dissolved January 31, 2012.

Public Financing Authority Debt Service - This fund is used to account for all debt service within the Public Financing Authority.

Merged Project Area Capital Projects - This fund is used to account for all capital projects and their administration within the areas previously described as Golden State Project, City Centre Project, and South San Fernando Project. This fund was dissolved January 31, 2012.

General Capital Projects - This fund is used to account for all multiple-year capital projects undertaken by the City.

The City reports the following major proprietary funds :

Water Reclamation and Sewer - This fund is used to account for the operation and maintenance of the Water Reclamation Plant and Sewage System.

Electric Utility - To account for the production, distribution, and transmission of electric energy to residents and businesses located within the City.

Water Utility - To account for the transmission of potable water, and reclaimed water to residents and businesses in the City.

Refuse Collection and Disposal - To account for the activities involved in the collection and disposal of refuse throughout the City.

Additionally the City reports the following fund types:

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Fiduciary Funds - The private purpose trust fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

Internal Service Funds – Internal Service Funds are used to account for the financing of goods or services provided by one department to other departments of the City on a cost reimbursement basis. These services include liability insurance, workers' compensation insurance, and maintenance and financing of office equipment, vehicles, municipal buildings, communication equipment, and computer equipment.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). The City also has the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are internal service fund charges to business-type activities and other charges between business-type activities and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise and internal service funds are charges for sales and services. Operating expenses for enterprise and internal service funds include cost of sales and services, operations and maintenance of systems and facilities, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

D - Inventories and prepaid items

All inventories are valued at cost, using the standard cost method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

E - Land held for resale

Land held for resale is recorded at the lower of cost or estimated net realizable value. Estimated net realizable value is determined by an agreed upon sales price with potential developers, when applicable. Amounts recorded as land held for resale are offset by a reservation of fund balance in the fund financial statements, since those amounts are not available spendable resources.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F - Capital Assets

Capital assets, which include property, plant, equipment, easements, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed, including land held under easements. Donated capital assets are recorded at estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the City are depreciated using the straight line method over the following estimated useful lives:

	<u>Estimated useful life</u>
Buildings and improvements	20 to 40 years
Infrastructure	20 to 65 years
Machinery and equipment (except vehicles)	5 to 20 years
Production plant	30 years
Boiler plant	20 years
Transmission structures	40 years
Transmission equipment	20 to 40 years
Poles, towers and fixtures	20 to 40 years
Distribution stations	30 to 40 years
Transformers	20 to 40 years
Meters	15 to 20 years
Water services	40 years
Vehicles	5 to 20 years
Office equipment	3 to 15 years

Capital outlay purchases are recorded as expenditures on the governmental fund level financial statements.

G - Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The maximum accumulation of vacation leave is limited to the total number of hours accruable for two years, unless approved otherwise by the department head or City Manager. The maximum accumulation of in-lieu time is between 200 to 300 hours, depending upon the employee's bargaining unit. Employees are paid 100% of their accumulated vacation or in-lieu time when they terminate employment for any reason.

Employees may accumulate sick leave without limitation as to the number of accumulated hours. Accumulated sick pay is paid at 50% of the total value; but only under one of the following conditions : (a) at retirement or death, provided the employee has been employed by the City for over 5 years and is over 50 years of age; (b) at time of layoff. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Executive and management employees do not earn vacation or sick leave. They instead earn universal time. This leave is capped at 1040 hours for management employees. Universal leave is reported as part of the compensated absences accrual.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

H - Long-Term Obligations

In the government-wide financial statements, and proprietary and fiduciary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary and fiduciary fund type statement of net assets. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest rate method. Bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest rate method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bonds payable are reported net of the unamortized portion of applicable premium, discount or deferred amount on refunding. Bond issuance costs, including underwriters' discount, are reported as deferred bond issuance costs. Amortization of bond premiums or discounts, and deferred amounts on refunding are included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received and principal payments are reported as debt service expenditures.

I - Net Assets and Fund Equity

In accordance with GASB statement 54, the governmental funds report nonspendable, restricted, committed, assigned and unassigned fund balances to show the level of constraint governing the use of the funds. Nonspendable fund balances include amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Restricted fund balances are restricted for specific purposes by third parties or enabling legislation. Committed fund balances include amounts that can be used only for specific purposes determined by formal action of the Council. Council must have at least a 3 to 2 vote to pass a resolution for the specific purpose. Assigned fund balances comprise amounts intended to be used by the City for specific purposes as determined by the Council such as PERS retirement set-aside funds, prior years carryovers and various capital projects. Unassigned fund balance is the remaining fund balance after all of the above classifications and should only be reported in the general fund or resulting deficit fund balance in any other governmental funds. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and the unrestricted resources as necessary. When committed and assigned resources are available for use, it is the City's policy to use committed resources first and then assigned resources, as they are needed.

In the government-wide financial statements and proprietary fund financial statements, net assets are reported in three categories: net assets invested in capital assets, net of related debt; restricted net assets and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the City (such as creditors, grantors, contributors, laws and regulations of other governments including enabling legislation).

J - Cash and Investments

The City combines the cash and investments of all funds into two pools (the City pool, and the Housing Authority pool), except for funds required to be held by outside fiscal agents under the provisions of bond indentures. Each fund's portion of the pooled cash and investments are displayed on the balance sheet-governmental funds, or the statement of net assets-proprietary funds.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Interest earned on pooled cash and investments is allocated monthly to the various funds based on average daily balances. Interest income from cash and investments with fiscal agents and in the deferred compensation plan is credited directly to the related funds. The City manages its pooled idle cash and investments under a formal investment policy that is reviewed and adopted annually by the City Council and that follow the guidelines of the State of California Government Code. The City's investment policy specifically authorizes the City to invest in treasury bills, treasury notes, federal agency securities, bankers' acceptances, negotiable and nonnegotiable certificates of deposit, commercial paper, the California Local Agency Investment Fund (LAIF), the Los Angeles County Pooled Investment Fund, and money market mutual funds.

The City's investments are reported at fair value. LAIF operates in accordance with the state laws and regulation of California. The reported value of the pool is the same as the fair value of the pool shares.

For purposes of the statement of cash flows for the proprietary fund types, cash and cash equivalents includes all pooled cash investments, non-pooled restricted cash and restricted investments with an original maturity of three months or less. The City considers the cash and investments pool to be a demand deposit account where funds may be withdrawn and deposited at any time without prior notice or penalty.

K - Receivables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

All trade and tax receivables are shown net of an allowance for uncollectible accounts and estimated refunds due. Estimated allowances for uncollectible accounts for enterprise fund customer accounts receivables are adjusted to the 91 days and over receivables balances.

Assessed values are determined on an annual basis by the Los Angeles County Assessor as of January 1. Taxes are levied annually and become a lien on real property at July 1. Taxes are due November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively.

The Low and Moderate Income Housing fund has outstanding developer notes receivable with the Burbank Housing Corporation (BHC). The terms of the notes are fifty-five years with a stated annual interest rate of 3%. At the end of each notes' term, the City will receive either; A) the outstanding principal and interest on the loans or, b) as first lien holder on the underlying land and buildings, will receive the properties back. If the City receives the properties, after their respective fifty-five year term is over, in lieu of full payment of unpaid principal and interest from the BHC, those properties can then be used for any purpose the City chooses. The City records notes receivable at the lesser of a) the aggregate outstanding principal and interest balances on the notes receivable, or b) the estimated aggregate values of the underlying properties at the end of their respective note receivable term. (i.e.; estimated value fifty-five years after the start of each loan, not present valued back to June 30, 2012. The City reports the notes receivable balance in restricted fund balance in the governmental funds statements and in restricted net assets in governmental activities in the entity-wide statements.

The Community Development and Block Grant (CDBG) and HOME funds give loans to the BHC and to individuals meeting eligibility criteria. The loans have various term lengths with stated interest rates ranging from 0% to 6%. The loans are scheduled to be forgiven at the end of their respective terms. The City records the notes receivable balance, and an allowance for doubtful accounts equal to 100% of the outstanding note balance.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

L - Interfund Advances

Advances between funds, as reported in the fund financial statements, are offset by a fund balance nonspendable account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources per GASB 54.

M - Self-Insurance Program

The City has self-insurance programs to provide for general liability and workers' compensation claims. These activities are accounted for in the Self-Insurance internal service fund, a proprietary fund type. Fund revenues are primarily premium charges to other funds and are planned to match estimated payments, including both reported and incurred but not reported claims, operating expenses, and reinsurance premiums. The fund expenses the estimated liability for claims in cases where such amounts are reasonably determinable and where the liability is likely.

The City is self-insured for individual claims up to \$2,000 for worker's compensation, and \$1,000 for general liability. Losses in excess of these amounts are covered through commercial insurance policies, up to statutory limits, for individual claims. See note 16, Self-insurance, for additional information on the City's self-insurance programs.

N - Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the financial statement date and the reported amounts of revenues and expenses or expenditures during the reporting period. Actual results could differ from those estimates.

O - Pronouncement Issued but Not yet Accepted

GASB issued pronouncements prior to June 30, 2012 that have an effective date that may impact future financial presentation. Management has not currently determined any impact on the implementation of the following statements may have on the financial statements of the City:

- Governmental Accounting Standards Board Statement No. 60 - *Accounting and Financial Reporting for Service Concession Arrangements, effective for the City fiscal year 2012-2013.*

- Governmental Accounting Standards Board Statement No. 61 - *The Financial Reporting Entity; Omnibus-Amendment of GASB Statements No. 14 and No. 34, effective for the City fiscal year 2012-2013.*

- Governmental Accounting Standards Board Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, effective for the City fiscal year 2012-2013.*

- Governmental Accounting Standards Board Statement No. 63 - *Items Previously Reported as Assets and Liabilities, effective for the City fiscal year 2012-2013.*

- Governmental Accounting Standards Board Statement No. 65 - *Items Previously Reported as Assets and Liabilities, effective for the City fiscal year 2013-2014.*

- Governmental Accounting Standards Board Statement No. 66 - *Technical Corrections-2012-an amendment of GASB Statements No. 10 and No. 62, effective for the City fiscal year 2013-2014.*

- Governmental Accounting Standards Board Statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, effective for the City fiscal year 2014-2015.*

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(2) RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of computation of certain items on statement of net assets

The statement of net assets includes an element titled "Invested in capital assets, net of related debt". The details of this computation are explained below :

Governmental funds :

Capital assets of internal service funds, net of accumulated depreciation	\$ 32,738
Governmental assets, net of accumulated depreciation	718,005
Invested in capital assets, net of related debt	<u>\$ 750,743</u>

Proprietary funds :

Capital assets, net of accumulated depreciation	\$ 440,336
All revenue bonds, current and long term portions	(160,482)
Loan payable	(961)
Invested in capital assets, net of related debt	<u>\$ 278,893</u>

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Appropriations

During the year, several supplemental budget appropriations were adopted by the City Council as amendments to the annual budget. Such appropriations are as follows: \$3,500 Reservoir #1 Reconstruction project; \$1,675 Verdugo Pool renovation and expansion project and \$1,271 I-5 Empire Interchange project.

Appropriated Budget and Budgetary Control

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General, Special Revenue (except for the Drug Asset Forfeiture fund), Debt Service and Capital Projects funds. The budgets are presented for reporting purposes on a budgetary basis consistent with accounting principles generally accepted in the United States of America. Certain multi-year capital improvements and other projects are budgeted on a project-length basis. Additionally, appropriations for the Drug Asset Forfeiture fund occur based on actual cash receipts and do not lapse at year end. A comparison of these budgets with current year expenditures would not be meaningful, due to the multi-year nature of these projects. As a result, no statements of revenues, expenditures and changes in fund balances – budget and actual are presented for the Public Improvements special revenue fund, the Disaster Relief special revenue fund, the Drug Asset Forfeiture special revenue fund, and the General City Capital Projects fund.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(3) STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, (continued)

The level of appropriated budgetary control is at the functional departmental level. The City Manager may authorize transfers of appropriations within a departmental function. Expenditures may not legally exceed total departmental appropriations. Supplemental appropriations during the year must be approved by the City Council by a 3/5 vote. These appropriations, representing amendments to the budget during the year, were significant in relationship to the original budget as adopted and are more fully described above. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

The City uses an "encumbrance system". Under this procedure, commitments such as purchase orders and contracts at year-end are recorded as "committed" or "assigned" fund balance.

The City Council adopts budgets for the Enterprise and Internal Service funds. All Proprietary fund types are accounted for on the economic resources measurement focus and the accrual basis of accounting. Additionally, the City is not legally mandated to report the results of operations for these Proprietary fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.

For the fiscal year ended June 30, 2012, the following funds reflected expenditures in excess of budgeted amounts : West Olive capital projects fund, an excess of \$1,410 and City Centre debt service fund, an excess of \$1,023. Also, the general fund had expenditures in excess of budgeted amounts in the following department: Fire Department an excess of \$313 and Parks an excess of \$36.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows :

	Govern- mental	Business Type	Internal Service	Fiduciary Fund	Total
Pooled cash and investments	\$ 158,040	104,016	78,904	17,540	\$ 358,500
Restricted pooled cash and investments	-	18,831	-	-	18,831
Restricted non-pooled cash and cash equivalents	30,288	-	-	57,421	87,709
Restricted investments	54,302	8,262	-	-	62,564
Total	<u>\$ 242,630</u>	<u>131,109</u>	<u>78,904</u>	<u>74,961</u>	<u>\$ 527,604</u>
Cash on hand					\$ 182
Demand deposits					(136)
Investments					527,558
Total					<u>\$ 527,604</u>

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (Code) (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the Code or the City's investment policy.

Authorized Investment Type	Authorized By City Policy	Maximum Maturity **	Maximum Percentage of Portfolio	Maximum Investment One Issuer
Agency-U.S. Federal Agency	Yes	5 years	90%	No limit
Corporate-medium term notes	Yes	5 years	30%	5%
LAIF-Local Agency Invest. Fund	Yes	N/A	No limit	No limit
U.S. Treasury obligations	Yes	5 years	100%	No limit
Banker's acceptances	No	N/A	N/A	N/A
Commercial paper	No	N/A	N/A	N/A
Timed certificates of deposit	Yes	5 years	40%	\$250
Negotiable certificates of deposit	Yes	5 years	20%	\$250
Money market mutual funds	Yes	90 days	15%	No limit
State and Local Agency Obligations	Yes	5 years	15%	5%
Repurchase agreements	No	N/A	N/A	N/A
Reverse repurchase agreements	No	N/A	N/A	N/A
Mutual funds	No	N/A	N/A	N/A
Mortgage pass-through securities	No	N/A	N/A	N/A
County pooled investment funds	No	N/A	N/A	N/A

* * No single investment shall be purchased with a term to maturity at the date of purchase that exceeds five years, without the approval also of the Financial Services Director, with the maximum allowed not to exceed 5% of the portfolio from over five years to ten year maturities. Also, the City has investments with fiscal agents outside the normal investment policy.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS, (continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment One Issuer
Investment Agreements	N/A	No limit	No limit
LAIF-Local Agency Invstmt Fund	N/A	No limit	No limit
Money Market	N/A	No limit	No limit
Government bonds	N/A	No limit	No limit
U.S. Treasury Obligations	N/A	No limit	No limit

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Entity manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

	Remaining Maturity (in Months)				
	Total	12 Months Or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Agency-U.S. Federal Agency	\$ 178,732	-	13,129	156,594	9,009
Corporate-Medium Term Notes	37,126	22,440	-	14,686	-
Municipal Bonds	6,755	-	5,723	1,032	-
Negotiable Certificates of Deposit	1,715	-	-	1,715	-
LAIF-2010B Electric Revenue Bond	5,240	5,240	-	-	-
LAIF-2010A Water Revenue Bond	2,570	2,570	-	-	-
LAIF-2010B Water Revenue Bond	6,188	6,188	-	-	-
LAIF-BUSD Joint Use Agreement	873	873	-	-	-
LAIF-Local Agency Invst Fund	177,024	177,024	-	-	-
Held by bond trustee:					
Investment Agreements	12,886	-	-	-	12,886
LAIF-Local Agency Invst Fund	2	2	-	-	-
Money Market	14,731	14,731	-	-	-
Pledge Bonds - City debt issue	53,430	-	-	-	53,430
U.S. Treasury Obligations	30,286	11,426	18,860	-	-
	<u>\$ 527,558</u>	<u>240,494</u>	<u>37,712</u>	<u>174,027</u>	<u>75,325</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Code, the City's investment policy, or debt agreements, and the actual rating as of year end for each investment type.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS, (continued)

	Total	Minimum Legal Rating	Not Rated
Agency-U.S. Federal Agency	\$ 178,732	A	-
Corporate-Medium Term Notes	37,126	A	2,090
Municipal Bonds	6,755	A	-
Negotiable Certificates of Deposit	1,715	A	-
LAIF-2010B Electric Revenue Bond	5,240	N/A	5,240
LAIF-2010A Water Revenue Bond	2,570	N/A	2,570
LAIF-2010B Water Revenue Bond	6,188	N/A	6,188
LAIF-BUSD Joint Use Agreement	873	N/A	873
LAIF-Local Agency Invstmt Fund	177,024	N/A	177,024
Held by bond trustee:			
Investment Agreements	12,886	A	-
LAIF-Local Agency Invst Fund	2	N/A	2
Money Market	14,731	Aaa	-
Pledge bonds - City debt issue	53,430	N/A	53,430
U.S. Treasury Obligations	30,286	Aaa	-
Totals	<u>\$ 527,558</u>		<u>247,417</u>
	Rating as of year end		
	Aaa	Aa	A
Agency-U.S. Federal Agency	\$ 178,732	-	-
Corporate-Medium Term Notes	-	11,590	19,395
Municipal Bonds	-	-	6,755
Negotiable Certificates of Deposit	1,715	-	-
Held by bond trustee:			
Investment Agreements	1,424	4,726	6,736
Money Market	14,731	-	-
U.S. Treasury Obligations	30,286	-	-
Totals	<u>\$ 226,888</u>	<u>16,316</u>	<u>32,886</u>
			<u>4,051</u>

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the Code. Investments in any one issuer (other than US Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows :

Federal Home Loan Bank - U.S. Federal Agency - \$28,331
 FHLMC Debentures - U.S. Federal Agency - \$22,028
 FNMA - U.S. Federal Agency - \$60,287
 Federal Farm Credit Bank - \$68,086

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The amount of deposits covered by FDIC insurance is \$6,600; the amount not covered is \$14,731 (which is held by bond trustee).

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(4) CASH AND INVESTMENTS, (continued)

The Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits : The Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City's investments are in the name of Wells Fargo and Wells Fargo has allocated a portion of the value of the investments to the City.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the Code, section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

(5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012 is as follows.

Governmental activities	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets not being depreciated :				
Land	\$ 107,618	-	-	107,618
Land held under easements	345,277	-	-	345,277
Construction in progress	18,893	14,478	(21,084)	12,287
Internal service fund assets :				
Construction in progress	2,384	1,738	(3,416)	706
Total capital assets not being depreciated	474,172	16,216	(24,500)	465,888
Capital assets being depreciated :				
Land Improvements	\$ 4,492	-	-	4,492
Accumulated depreciation	(4,098)	(343)	-	(4,441)
Buildings & Improvements	178,537	10,396	(46)	188,887
Accumulated depreciation	(102,444)	(6,777)	46	(109,175)
Infrastructure	280,241	11,408	(2,915)	288,734
Accumulated depreciation	(109,473)	(7,587)	753	(116,307)
Machinery & other	1,162	171	(7)	1,326
Accumulated depreciation	(461)	(234)	2	(693)
Internal service fund assets :				
Buildings and improvements	11,802	1,402	(6)	13,198
Accumulated depreciation	(2,785)	(587)	2	(3,370)
Machinery & other	63,471	5,223	(4,503)	64,191
Accumulated depreciation	(39,171)	(6,983)	4,167	(41,987)
Total capital assets being depreciated, net	281,273	6,089	(2,507)	284,855
Total net capital assets - governmental activities	\$ 755,445	22,305	(27,007)	750,743

Depreciation charged to governmental functions on the statement of activities during the year is as follows; \$8,126 General Government, \$912 to Police, \$1,137 to Fire, \$7,265 to Public Works, \$2,492 to Community Development, \$1,959 to Parks and Recreation and \$620 to Library.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(5) CAPITAL ASSETS, (continued)

Total Enterprise fund type capital assets are as follows :

All Business-type activities	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets not being depreciated :				
Land	\$ 11,824	-	-	11,824
Construction in progress	59,495	43,868	(76,115)	27,248
Total capital assets not being depreciated	71,319	43,868	(76,115)	39,072
Capital assets being depreciated :				
Land improvements	13,458	-	(276)	13,182
Accumulated depreciation	(8,201)	(549)	276	(8,474)
Rights to purchased power	1,335	-	-	1,335
Accumulated depreciation	(498)	(43)	-	(541)
Buildings & Improvements	575,768	69,813	(14,101)	631,480
Accumulated depreciation	(251,683)	(18,381)	5,054	(265,010)
Machinery & other	53,805	14,516	(4,336)	63,985
Accumulated depreciation	(36,158)	(4,638)	360	(40,436)
Total capital assets being depreciated, net	347,826	60,718	(13,023)	395,521
Total net capital assets - business-type activities	<u>\$ 419,145</u>	<u>104,586</u>	<u>(89,138)</u>	<u>434,593</u>

Water Reclamation & Sewer fund capital assets are as follows :

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets not being depreciated :				
Land	\$ 5,316	-	-	5,316
Construction in progress	69	527	(570)	26
Total capital assets not being depreciated	5,385	527	(570)	5,342
Capital assets being depreciated :				
Land improvements	6,096	-	-	6,096
Accumulated depreciation	(2,744)	(316)	-	(3,060)
Buildings & Improvements	114,455	570	-	115,025
Accumulated depreciation	(54,220)	(3,423)	-	(57,643)
Machinery & other	2,356	18	-	2,374
Accumulated depreciation	(1,864)	(107)	-	(1,971)
Total capital assets being depreciated, net	64,079	(3,258)	-	60,821
Total net capital assets - Water reclamation and sewer	<u>\$ 69,464</u>	<u>(2,731)</u>	<u>(570)</u>	<u>66,163</u>

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(5) CAPITAL ASSETS, (continued)

Electric Utility fund capital assets are as follows :

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets not being depreciated :				
Land	\$ 2,734	-	-	2,734
Construction in progress	43,811	32,729	(57,059)	19,481
Total capital assets not being depreciated	46,545	32,729	(57,059)	22,215
Capital assets being depreciated :				
Land improvements	-	-	-	-
Accumulated depreciation	-	-	-	-
Rights to purchased power	1,335	-	-	1,335
Accumulated depreciation	(498)	(43)	-	(541)
Buildings & Improvements	351,217	50,892	(13,639)	388,470
Accumulated depreciation	(149,340)	(11,591)	4,795	(156,136)
Machinery & other	33,097	13,937	(4,094)	42,940
Accumulated depreciation	(21,117)	(3,343)	133	(24,327)
Total capital assets being depreciated, net	214,694	49,852	(12,805)	251,741
Total net capital assets - Electric utility	\$ 261,239	82,581	(69,864)	273,956

During fiscal year ended June 30, 2012 the City had capitalized interest of \$839 in the Electric fund.

Water Utility fund capital assets are as follows :

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets not being depreciated :				
Land	\$ 309	-	-	309
Construction in progress	15,520	10,600	(18,443)	7,677
Total capital assets not being depreciated	15,829	10,600	(18,443)	7,986
Capital assets being depreciated :				
Buildings & Improvements	94,702	18,308	(453)	112,557
Accumulated depreciation	(40,820)	(2,723)	250	(43,293)
Machinery & other	4,724	335	(21)	5,038
Accumulated depreciation	(3,054)	(318)	21	(3,351)
Total capital assets being depreciated, net	55,552	15,602	(203)	70,951
Total net capital assets - Water utility	\$ 71,381	26,202	(18,646)	78,937

During fiscal year ended June 30, 2012 the City had capitalized interest of \$435 in the Water fund.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(5) CAPITAL ASSETS, (continued)

Refuse Collection & Disposal fund capital assets are as follows :

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
Capital assets not being depreciated :				
Land	\$ 3,454	-	-	3,454
Construction in progress	45	12	(43)	14
Total capital assets not being depreciated	3,499	12	(43)	3,468
Capital assets being depreciated :				
Land improvements	6,326	-	(276)	6,050
Accumulated depreciation	(5,138)	(106)	276	(4,968)
Buildings & Improvements	6,436	43	-	6,479
Accumulated depreciation	(5,650)	(225)	-	(5,875)
Machinery & other	13,230	226	(214)	13,242
Accumulated depreciation	(9,900)	(846)	198	(10,548)
Total capital assets being depreciated, net	5,304	(908)	(16)	4,380
Total net capital assets - Refuse collection & disposal	\$ 8,803	(896)	(59)	7,848

(6) DEFINED CONTRIBUTION AND PENSION PLANS

Defined Contribution Plans

Welfare Benefit Plan (VEBA)

The Trust (The Plan) is a defined contribution plan established by the City of Burbank to provide post retirement medical benefits primarily to members of the Burbank Police Officer's Association. At June 30, 2012, there were 149 active participants and 72 retired participants. Plan members are required to contribute their final vested sick pay at retirement. The City is required to contribute \$27 dollars per month per active participant and 1.5% of the Burbank Police Officer's Association annual covered salary. Plan provisions and contribution requirements are established and may be amended by the City Council of the City. Investments are self directed by each plan participant.

The Plan's financial statements are prepared using the accrual basis of accounting, and the statements are available at the City of Burbank, 275 E Olive Ave, Burbank CA 91502. The employer and plan member contributions are recognized in the period that the contributions are made; contributions totaled \$341 for the fiscal year ended June 30, 2012. Plan investments are reported at fair value. At June 30, 2012, the fair value of plan assets was \$4,463.

City of Burbank
Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(6) DEFINED CONTRIBUTION AND PENSION PLANS, (continued)

Post Employment Health Plan (PEHP)

The Plan is a defined contribution plan established by the City of Burbank in February 2006 to provide retirement medical benefits primarily to members of the Burbank Fire Fighter's Association (BFF) and the Burbank Fire Fighter's Chief Officers' Unit (BFF-COU). The Plan is a multi-employer trust comprised of over 800 public sector entities across the United States and is administered by Nationwide Retirement Solutions. At June 30, 2012 there were 115 active, and 31 retired participants. BFF and BFF-COU plan members are required to contribute the balance of their accumulated leave balance upon retirement or separation to their individual plan accounts. The BFF and BFF-COU take a vote of the membership annually in October to ascertain the dollar amount to be deposited from their accumulated leave balance into the Universal Reimbursement Account, and any remaining balance is deposited into the Insurance Reimbursement Premium Account.

Plan provisions and contribution requirements are established and may be amended by the City Council of the City to the extent allowed by the Internal Revenue Code. Participants may elect to have their contributions and earnings directed to an investment option of their choice and these investments are self directed by each plan participant. The City has no liability for losses under the plan, but does have the duty of due care that would be required of an ordinary prudent investor. The City contributed \$272 to the plan during the year ended June 30, 2012.

Defined Benefit Plan

Plan Description

The City of Burbank contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their executive office : 400 P Street, Sacramento CA 95814.

Funding Policy

During the year ended June 30, 2012 participants are required to contribute 8% of their annual covered salary. Safety employees contribute 9%. The City makes the following partial contributions required of City employees on their behalf and for their account: BCEA 6.9%, BMA 7.0%, unrepresented managers 7.0%, executives 6.0%, BPOA 7.0%, BFF/BFFCOU 9% and IBEW 8%. The City is required to contribute at an actuarially determined rate; for miscellaneous employees the rate is 15.778%; for fire employees the rate is 19.313%; for police employees the rate is 28.214%. The contribution requirements of plan members and the City are established and may be amended by PERS. Future contributions at an actuarially determined rate are as follows: miscellaneous employees 16.334% for fiscal year 2012-13 and 16.527% for fiscal year 2013-14; fire employees 19.070% for fiscal year 2012-13 and 20.008% for fiscal year 2013-14; for police employees 29.112% for fiscal year 2012-13 and 33.031% for fiscal year 2013-14.

All changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methodology are amortized separately over a 20 year closed period. In addition, all gains or losses are tracked, and 10% of the net unamortized accumulated gain or loss is amortized each year. Finally, if a plan's accrued liability exceeds the actuarial value of assets, the annual contribution with respect to the total unfunded liability may not be less than the amount produced by a 30 year amortization of the unfunded liability.

City of Burbank
Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(6) BENEFIT AND PENSION PLANS, (continued)

	Fiscal Yr	Annually required contributor % of ARC contributed	Net pension obligation (overpayment)
Police	6/30/2012	6,030 100%	-
Fire	6/30/2012	3,696 100%	-
Miscellaneous	6/30/2012	16,680 100%	-
Police	6/30/2011	4,702 100%	-
Fire	6/30/2011	3,058 100%	-
Miscellaneous	6/30/2011	13,604 142%	(5,174)
Police	6/30/2010	5,161 100%	-
Fire	6/30/2010	3,233 100%	-
Miscellaneous	6/30/2010	14,013 100%	-

Schedule of funding progress

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	(Excess) Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll {(B-A)/C}
6/30/2011	921,547	1,069,856	148,309	86.1%	110,891	133.7%

A summary of the principal assumptions and methods used to determine the annual required contribution (ARC) for the year ended June 30, 2011 is shown below :

Valuation Date	June 30, 2011
Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method	Level Percent of Payroll
Average Remaining Period	16 years (nonsafety), 32 years (safety) from the valuation date
Asset Valuation Method	15 year smoothed market
Actuarial Assumptions :	
Investment rate of return	7.75% (net of administrative expenses)
Projected salary increases	3.25% to 14.45% depending on age, service, and type of employment.
Inflation	3.00%
Payroll growth	3.25%
Individual salary growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 3.00% and an annual production growth of .25%.

The schedule of funding progress, which has been included in the accompanying *Required Supplementary Information*, shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll. It presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Pension Asset

Annual required contribution	\$ 4,392
Interest on net Pension obligation/(asset)	(1,665)
Adjustment to annual required contribution	<u>2,589</u>
Annual Pension cost	5,316
Contributions made	<u>(4,392)</u>
Increase in net Pension obligation	924
Net Pension Asset - beginning of year	<u>25,354</u>
Net Pension Asset - end of year	<u>\$ 24,430</u>

City of Burbank
Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS

The composition of interfund balances as of June 30, 2012 is as follows :

Fund	Interfund		Transfers	
	Receivable	Payable	In	Out
General fund	\$ 128	4	11,503	8,245
Golden State				
debt service	-	-	-	2,319
Merged				
capital projects	-	-	6,000	-
General capital projects	-	-	3,797	-
Electric utility	3	1	-	10,498
Water utility	-	-	-	1,153
Nonmajor				
governmental funds	1	136	3,162	2,506
Internal service funds	9	-	457	198
Total interfund				
receivable / payable /				
transfers	<u>\$ 141</u>	<u>141</u>	<u>24,919</u>	<u>24,919</u>

Composition and purpose of interfund transfers is as follows :

Nonmajor governmental funds transfers in of \$3,162 includes \$2,319 for the Street Lighting fund transferred from Electric Utility fund for in-lieu of taxes payments; \$457 from City Centre Debt Service Fund to CFD fund to pay for annual principal and interest payments and \$385 for Youth Endowment from various Redevelopment funds for required YES (Youth Endowment Services) funds. Internal service funds transfers in of \$457 includes \$410 for the Risk Management Self-Insurance fund for unused outside legal services funds and \$47 for the Communications Equipment Replacement fund for EPals enhancements required by the Information Technology department.

General fund transfers in of \$11,503 include \$8,179 from Electric Utility fund, and \$1,153 from Water Utility fund, for in-lieu of taxes payments; \$1,971 from the Gas Tax fund for maintenance of city streets: \$198 from Office Equipment fund for replacement and maintenance of office equipment and \$2 from Burbank Community Services Fund for donations to the fire department.

General Capital Projects fund transfers in of \$3,797 includes \$2,009 in transfers from the Golden State Debt Service Fund for project funds received from the Public Financing Authority/Golden State 2007 Series A bond issue; \$1,000 from the General Fund for infrastructure reserve per resolution 28348; \$728 from the General Fund for various capital projects per resolution 28348 and a \$60 transfer from the General Fund for a sister city art exchange program per resolution 28396. Merged Capital Projects fund transfer in of \$6,000 from the General Fund for write-off of prior advance.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS, (continued)

The composition of interfund advances as of June 30, 2012 is as follows :

Advances from City :

The general fund advanced the golf fund \$2.9 million for construction of the new clubhouse. The terms of the advance were per resolution 27488, passed on June 19, 2007. The term of the advance was initially 20 years; the interest rate varies as it is indexed to yield on the Local Agency Investment Fund (LAIF) using a 12 month average plus .5%, with the first repayment date as January 2009. On June 7, 2011, the payment terms of this advance were revised per resolution 28347 to defer payments until fiscal year 2013-2014 with payments commencing on January 1, 2014 and recalculated annually thereafter over 17 years through January 1, 2030.

\$ 2,145

The general fund advanced the golf fund \$1.0 million to make the golf fund fiscally solvent. The terms of the advance are per resolution 28347, passed on June 7, 2011. The term of the advance is 20 years; the interest rate varies as it is indexed to yield on the Local Agency Investment Fund (LAIF) using a 12 month average plus .5%. This advance will be recalculated every January, with the first repayment date as January 2014.

\$ 1,009

The City and the Agency entered into a cooperation agreement through which the City agreed to advance funds to the City Centre project necessary for land acquisition and related expenses. The advances are non-interest bearing and there is no repayment schedule. Transferred to Successor Agency February 1, 2012. Repayment of the advance is reliant on the Successor Agency receiving a Finding of Completion from the State Department of Finance (Spring 2013). Starting in FY 13/14, the City can then receive 50% of excess tax increment over the FY 12/13 base year amount that would be available for distribution to taxing entities. This is calculated by taking gross tax increment deposited into the Redevelopment Property Tax Trust Fund (RPTTF) less County administration fees, pass through payments, contractual agreements, and ROPS enforceable obligations.

\$ 26,864

From 1977 through 1979, the City and the Agency entered into agreements to loan funds aggregating \$225 to the West Olive Project. These agreements bear 7% interest per year, payable quarterly, and have no principal repayment schedule. Transferred to Successor Agency February 1, 2012. Repayment of the advance is reliant on the Successor Agency receiving a Finding of Completion from the State Department of Finance (Spring 2013). Starting in FY 13/14, the City can then receive 50% of excess tax increment over the FY 12/13 base year amount that would be available for distribution to taxing entities. This is calculated by taking gross tax increment deposited into the Redevelopment Property Tax Trust Fund (RPTTF) less County administration fees, pass through payments, contractual agreements, and ROPS enforceable obligations.

\$ 203

From 1998 to 1999, the General fund advanced \$1,118 to the Public Improvements fund, to pre-fund the development impact activity for the Police / Fire facility construction. As revenue is accumulated within Public Improvements, repayments are made on this advance; there is no interest charged, nor is there a specified repayment schedule.

\$ 323

Advances to City :

The Agency advanced the City \$1,327 in order for the City to reimburse the Housing Authority administrations reserve per resolution R-2255 on June 14, 2011. This loan is payable only out of the existing advances owed to the City, to be paid at the end of ten years post project area sunset/abolishment, whichever comes first. There is no repayment schedule. Transferred to Successor Agency February 1, 2012.

\$ 1,327

Advances from Redevelopment Projects :

In 2003, the City and the Agency entered into a funding agreement to secure the lease of a future transportation site (Americold). The South San Fernando project area loaned funds to the City, which in turn loaned them to the Golden State project. The advance is not interest bearing and there is no repayment schedule. Transferred to Successor Agency February 1, 2012.

\$ 1,360

Total advances outstanding at June 30, 2012

\$ 33,231

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(7) INTERFUND RECEIVABLES, PAYABLES, ADVANCES AND TRANSFERS, (continued)

A breakdown of all items as stated on the statement of net assets :

Fund	Internal Balances		Transfers	
	Govern- mental	Business- Type	Govern- mental	Business- Type
Governmental funds				
interfund receivable	\$ 3,283	-	\$ -	-
transfers in	-	-	24,462	-
interfund payable	(140)	-	-	-
transfers out	-	-	(13,070)	-
Internal service funds				
interfund receivable	9	-	-	-
interfund payable	(631)	-	-	-
transfers out	-	-	(198)	-
Proprietary funds				
interfund receivable	-	634	-	-
transfers out	-	-	-	(11,651)
interfund payable	-	(3,155)	-	-
Totals	<u>\$ 2,521</u>	<u>(2,521)</u>	<u>\$ 11,651</u>	<u>(11,651)</u>

(8) LONG TERM LIABILITIES

	Balance July 1, 2011	Additions	Deletions	Adjustments	Balance June 30, 2012	Due within one year
Fiduciary activities:						
Community facilities district bonds	\$ -	-	(320)	5,555	5,235	335
Tax allocation bonds	-	-	(9,228)	155,014	145,786	5,785
Total fiduciary activities	<u>-</u>	<u>-</u>	<u>(9,548)</u>	<u>160,569</u>	<u>151,021</u>	<u>6,120</u>
Governmental activities :						
Community facilities district bonds	\$ 5,555	-	-	(5,555)	-	-
Tax allocation bonds	213,539	-	-	(155,014)	58,525	3,640
Pension obligation bonds	16,915	-	(740)	-	16,175	860
Capital lease obligation (note 17)	-	-	-	-	-	-
*Compensated absences	13,859	1,392	(1,500)	-	13,751	1,400
Total non-internal service debt	<u>249,868</u>	<u>1,392</u>	<u>(2,240)</u>	<u>(160,569)</u>	<u>88,451</u>	<u>5,900</u>
Claims payable from self-insurance funds (note 16)	31,277	1,492	(17)	-	32,752	8,920
Compensated absences - payable from internal service funds	<u>239</u>	<u>51</u>	<u>-</u>	<u>-</u>	<u>290</u>	<u>-</u>
Total governmental activities	<u>281,384</u>	<u>2,935</u>	<u>(2,257)</u>	<u>(160,569)</u>	<u>121,493</u>	<u>14,820</u>

*Compensated absences liability for governmental activities will be liquidated by the following funds: general fund, section 8, HOME, CDBG, street lighting and merged capital projects (now part of the Fiduciary fund statements).

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG TERM LIABILITIES, (continued)

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012	Due within one year
Business-type activities :					
Water Reclamation & Sewer :					
Revenue bonds	\$ 15,900	-	(720)	15,180	740
Compensated absences - payable from enterprise funds	158	7	-	165	4
Subtotal	16,058	7	(720)	15,345	744
Refuse Collection & Disposal :					
Revenue bonds	8,450	-	(597)	7,853	575
Other long-term liabilities	15,078	573	-	15,651	-
Compensated absences - payable from enterprise funds	601	42	(35)	608	55
Subtotal	24,129	615	(632)	24,112	630
Electric Utility :					
Revenue bonds	109,112	9,810	(18,055)	100,867	3,460
Compensated absences - payable from enterprise funds	4,649	404	(217)	4,836	367
Subtotal	113,761	10,214	(18,272)	105,703	3,827
Water Utility :					
Revenue bonds	37,148	-	(561)	36,587	490
Other long-term liabilities	634	521	(194)	961	223
Compensated absences - payable from enterprise funds	709	30	(37)	702	28
Subtotal	38,491	551	(792)	38,250	741
Total business-type activities :					
Revenue bonds	170,610	9,810	(19,933)	160,487	5,265
Other long-term liabilities	15,712	1,094	(194)	16,612	223
Compensated absences - payable from enterprise funds	6,117	483	(289)	6,311	454
Subtotal	192,439	11,387	(20,416)	183,410	5,942
Total long-term liabilities	\$ 473,823	14,322	(32,221)	455,924	26,882

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

FIDUCIARY ACTIVITIES

Community Facilities District Bonds (CFD)

2005 Community Facilities District (CFD) Tax Revenue Bonds

The bonds are due in annual installments from \$295 to \$565 through December 1, 2023. Interest at various rates ranging from 4.00% to 5.20% is payable semiannually on June 1 and December 1. The bonds are collateralized by first pledge of all the tax increment revenues and special tax revenues. The purpose of the bonds is to finance a portion of the costs of a parking garage in the downtown area.

\$ 5,235

Tax Allocation Bonds

\$69,000 Golden State Redevelopment Project Tax Allocation Bonds 1993 Series A

The bonds are due in annual installments from \$410 to \$4,655 through December 1, 2024. Interest at various rates ranging from 2.75% to 6.25% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for (i) the acquisition and construction of various projects (ii) the advance refunding of the Agency's outstanding Golden State Redevelopment Project First Lien Tax Allocation Bonds, 1985 Series A; and (iii) the advance refunding of the Agency's outstanding Golden State Redevelopment Project Second Lien Refunding Tax Allocation Bonds, 1985 Series A. As of June 30, 2012, \$39.2 million of these bonds are owned by the Burbank Public Financing Authority.

\$ 42,095

\$87,265 Public Financing Authority (Golden State) Tax Allocation Bonds 2003 Series A

The bonds are due in annual installments from \$780 to \$6,620 through December 1, 2024. Interest at various rates ranging from 1.625% to 5.50% is payable semiannually on June 1 and December 1. These bonds are secured by a pledge of certain tax increment revenues, and other amounts payable to the Agency. The bonds provided funds for :

Golden State Portion

(i) the acquisition and construction of various projects.

\$ 19,425

2007 Series A Golden State

The bonds are due in annual installments from \$50 to \$2,995 through December 1, 2043. Interest at various rates ranging from 3.50% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (i) refunding a portion of the Authority's outstanding revenue bonds, (ii) fund a purchase in lieu of redemption of the Agency's subordinated tax allocation bonds, (iii) and to pay for public capital improvements.

\$ 51,570

\$14,000 West Olive Redevelopment Project Tax Allocation Bonds, 2002 Series A

The bonds are due in annual installments from \$380 to \$925 through December 1, 2026. Interest at various rates ranging from 2.00% to 5.125% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues, net of pass-through payments, to be received by the project. The bonds provide funding for the acquisition and construction of various projects.

\$ 10,110

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

\$5,235 South San Fernando Redevelopment Project Tax Allocation Bonds, 2003 Series A

The bonds are due in annual installments from \$85 to \$330 through December 1, 2033. Interest at various rates ranging from 2.00% to 5.50% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provide funding for the acquisition and construction of various projects.

\$ 4,385

1993 City Centre Tax Allocation Bonds Series A

The bonds are due in annual installments from \$85 to \$1,665 through December 1, 2023. Interest at various rates ranging from 2.50% to 5.50% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for (i) the acquisition and construction of various projects and (ii) the partial advance refunding of the Agency's outstanding City Centre Redevelopment Project Tax Allocation Bonds, 1990 Series A. As of June 30, 2012, \$14.2 million of these bonds are owned by the Burbank Public Financing Authority.

\$ 15,195

Plus original issue premium

\$ 3,006

Total Tax Allocation Bonds

\$ 145,786

Total fiduciary activities

\$ 151,021

GOVERNMENTAL ACTIVITIES

Public Financing Authority Portion

The purchase by the PFA of a portion (\$50,240) of the Agency's outstanding 1993 Golden State Redevelopment Project Tax Allocation Bonds, 1993 Series A. The bonds are due in annual installments from \$670 to \$4,690 through December 1, 2024. Interest at various rates ranging from 1.625% to 5.50% is payable semiannually on June 1 and December 1.

\$ 43,555

2003 City Centre Tax Allocation Bonds Series C

On September 23, 2003, the Agency issued revenue bonds, Series C 2003, in the amount of \$22,015 with annual maturities from \$810 to \$1,565, from December 1, 2004 through December 1, 2023, with interest ranging from 2.0% to 4.8%. The purpose of these bonds is to fund the costs of issuance of the bond, and to refund the City Centre 1993 tax allocation bonds.

\$ 14,970

Total Tax Allocation Bonds

\$ 58,525

Pension Obligation Bonds (POB)

The bonds are due in annual installments from \$260 to \$2,510 through June 1, 2023. Interest is fixed at 5.93%. The bonds provided funds to pay the City's unfunded pension obligation related increased safety salaries, in lieu of reducing this obligation over a number of years directly through PERS.

\$ 16,175

Compensated absences

Governmental activities - Governmental funds (General, and Merged capital projects) accumulated vacation and sick leave accrual is reported in the government-wide statement of net assets. For the fiscal Year Ended June 30, 2012, the noncurrent portions of the accrual consist of vacation leave of \$7,833, sick leave of \$3,155, and in-lieu time of \$1,371, and the current portion of \$1,392.

\$ 13,751

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

Outstanding Claims Payable - Self-Insurance

The Risk Management fund total outstanding claims are \$4,182. The current portion of the outstanding claims are reported in the current liability section of the statement of net assets, of which \$1,920 is recorded as claims payable and the remainder is included in long-term liabilities. \$ 4,182

The Workers' Compensation fund total outstanding claims are \$21,570. The current portion of the outstanding claims are reported in the current liability section of the statement of net assets, of which \$7,000 is recorded as claims payable and the remainder is included in long-term liabilities. \$ 28,570

Total long-term liabilities for self-insurance \$ 32,752

Compensated absences :

All the Internal Service fund types' accumulated vacation and sick leave accrual is reported in the respective Internal Service fund. At June 30, 2012, the accrual consists of vacation leave of \$154, sick leave of \$38 and in-lieu time of \$56 and the current portion of \$42. \$ 290

Total governmental activities \$ 121,493

BUSINESS-TYPE ACTIVITIES - REVENUE BONDS

Wastewater Treatment

\$19,130 Wastewater Treatment Revenue Bonds of 2004, Series A

The bonds are due in annual installments ranging from \$85 to \$1,240 from June 1, 2005 to June 1, 2034, with interest rates ranging from 2% to 5%, payable semiannually on June 1 and December 1. The purpose of these bonds is to refund, on an advance basis, a portion of the City's Wastewater Treatment Refunding Revenue Bonds, 1995 Series A, to finance the construction of certain improvements to the City's municipal wastewater treatment and disposal system, make a deposit to the reserve fund, and to pay all costs of issuance. \$ 14,850

Plus original issue premium \$ 330

Total Wastewater Revenue bonds \$ 15,180

Waste Disposal

\$10,290 Waste Disposal Revenue Bonds of 2002 Series B

These bonds are due in installments ranging from \$160 to \$800 from May 1, 2008, to October 2024, with interest rates ranging from 3.25% to 5.25%, payable semiannually on May 1 and November 1. The Series B bonds are special obligations of the City payable solely from the net revenues of the City's waste collection and disposal system and other funds specified in the indenture. \$ 7,760

Plus original issue premium \$ 93

Total Waste Disposal revenue bonds \$ 7,853

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

Burbank Water and Power Revenue Bonds

\$35,825 Burbank Water and Power Electric Revenue/Refunding Bonds 2010 Series A

These bonds were issued to partially advance refund the 1998 Bonds and the 2001 Bonds and to pay the costs of issuance of the Series 2010A Bonds. Payable in installments ranging from \$2,290 to \$3,530. Interest rates range from 3.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2023. The bonds are secured by a pledge of net revenues of the electric and water enterprise funds, respectively, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.

\$ 33,535

\$52,665 Burbank Water and Power Electric Revenue Bonds 2010 Series B

These bonds were issued to finance a portion of the costs of certain improvements to the Electric System, including the conversion of certain residential and commercial distribution circuits and to fund a deposit in the Parity Reserve Fund and to pay the costs of issuance. Payable in installments ranging from \$2,210 to \$4,195. Interest rates range from 3.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the electric and water enterprise funds, respectively, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.

\$ 52,665

\$8,795 Burbank Water and Power Water Revenue/Refunding and New Bonds 2010 Series A

These bonds were issued to refund on a current basis all of the outstanding 1998 Water Bonds, finance the costs of certain improvements to the City's water system and to pay the costs of issuance of the Series 2010A Bonds. Payable in installments ranging from \$165 to \$970. Interest rates range from 2.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2023. The bonds are secured by a pledge of net revenues of the water enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account.

\$ 7,905

\$27,945 Burbank Water and Power Water Revenue Bonds 2010 Series B

(Taxable Build America Bonds)

These bonds were issued to finance the costs of the 2010 Water Project and to pay the costs of issuance of the Series 2010B Bonds. Payable in installments ranging from \$850 to \$2,275. Interest rates range from 4.89% to 5.79%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2040. The bonds are secured by a pledge of net revenues of the water enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account. The City expects to receive a direct cash subsidy from the United States Department of Treasury equal to 35% of the interest on the Series 2010B Bonds.

\$ 27,945

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

\$9,810 Burbank Water and Power Electric Revenue Refunding Bonds, 2012 Series A

These bonds were issued to refund on a current basis all of the outstanding 2002 Electric Bonds and to pay the costs of issuance of the Series 2012A Bonds. Payable in installments ranging from \$375 to \$1,145. Interest rates range from 2.00% to 5.00%. Payments are made semiannually on June 1 and December 1, with the final payment to be made on June 1, 2022. The bonds are secured by a pledge of net revenues of the electric enterprise fund, as well as all amounts on deposit in the accounts established under the indenture, including the reserve account. The advance refunding was undertaken to reduce annual debt service payments averaging \$284 over the next ten years for a total savings of \$2,843.

\$ 9,810

Plus original issue premium

\$ 6,067

Less original issue discount

\$ (473)

Total Burbank Water and Power revenue bonds

\$ 137,454

Total Enterprise revenue bonds

\$ 160,487

Other long-term liabilities :

Landfill Closure and Post-Closure Care Costs

State laws and regulations require the City to place a final cover on the Burbank Landfill No. 3 site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports portions of these costs as operating expenses in each period, as required by GASB 18, and based on landfill capacity used as of each balance sheet date.

The landfill closure and postclosure care liability at June 30, 2012 represents the cumulative amount reported to date based on the use of 45 percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of \$21,601 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2012. Using the 2012 inflation factor of 1.021 percent, the adjusted closure and postclosure costs for 2012 are \$35,167. The City expects to close the landfill in the year 2066. Actual costs may be higher or lower due to inflation or deflation, changes in technology, or changes in regulations.

The City is required by state laws and regulations to make annual contributions to a trust fund to finance closure and postclosure care. The City is in compliance with these requirements, and at June 30, 2012, \$13,833 was reported as restricted cash. The City expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional postclosure care requirements are determined (due to changes in technology or applicable laws and regulations, for example) these costs may need to be covered by charges to future landfill users or from future tax revenue.

\$ 15,651

State Water Resources Control Board Loan #1:

This loan was issued for the purpose of constructing improvements to the Burbank Water Reclamation Plant. The cost of the project is estimated to be \$3,134, and this same amount is available for loan to the City. Funds are disbursed on either a reimbursement basis, or at such time as they are due and payable by the City. The interest rate is 2.7%, with the principal to be repaid no later than April 2014, 20 years from the loan date.

\$ 440

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

State Water Resources Control Board Loan #2:

This loan was issued for the purpose of upgrading the Recycled Water Pumping Station PS-1 project to create capacity needed to distribute recycled water to new users. The cost of the project is estimated to be \$1,916, of which \$521 is funded by the SWRCB loan. The interest rate is 2.6%, with the principal to be repaid no later than November 2030.

\$ 521

Total other long-term liabilities

\$ 16,612

Compensated absences :

All the Enterprise fund types' accumulated vacation and sick leave accrual is reported in the respective Enterprise fund. For the fiscal year ended June 30, 2012, the noncurrent portions of the accrual consist of vacation leave of \$3,673, sick leave of \$1,727 and in-lieu time of \$457.

\$ 6,311

Total business-type activities

\$ 183,410

Total long-term liabilities at June 30, 2012

\$ 455,924

City of Burbank
Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

The annual requirements to amortize all bonded indebtedness and other long-term liabilities outstanding at June 30, 2012 are as follows :

Fiduciary activities

Year ending June 30	CFD Bond		Fiduciary Tax Allocation	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	335	253	5,785	7,237
2014	345	238	6,100	6,920
2015	365	221	8,650	6,541
2016	380	203	9,080	6,097
2017	400	185	9,550	5,614
2018-2022	2,310	595	52,140	19,586
2023-2027	1,100	59	26,670	7,810
2028-2032	-	-	6,410	4,889
2033-2037	-	-	6,935	3,312
2038-2042	-	-	7,820	1,726
2043-2044	-	-	3,640	166
Premium	-	-	3,006	-
Totals	<u>\$ 5,235</u>	<u>1,754</u>	<u>145,786</u>	<u>69,898</u>

Governmental activities

Year ending June 30	Governmental Tax Allocation		POB Bond	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	3,640	2,850	860	960
2014	3,815	2,673	995	908
2015	4,000	2,483	1,135	850
2016	4,195	2,279	1,290	782
2017	4,395	2,063	1,455	706
2018-2022	25,525	6,680	10,265	2,010
2023-2027	12,955	726	175	10
2028-2032	-	-	-	-
2033-2037	-	-	-	-
2038-2042	-	-	-	-
2043-2044	-	-	-	-
Premium	-	-	-	-
Totals	<u>58,525</u>	<u>19,754</u>	<u>\$ 16,175</u>	<u>6,226</u>

City of Burbank
Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

Business-type activities

Year ending June 30	Revenue Bonds		Other Liabilities	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2013	5,265	6,683	720	12
2014	5,300	6,474	241	7
2015	5,745	6,274	-	-
2016	6,000	6,027	-	-
2017	6,265	5,759	-	-
2018-2022	35,035	24,226	-	-
2023-2027	22,985	24,168	-	-
2028-2032	21,925	18,067	-	-
2033-2037	27,270	10,783	-	-
2038-2040	18,680	2,324	-	-
Discount	(473)	-	-	-
Premium	6,490	-	-	-
Totals	<u>\$ 160,487</u>	<u>110,785</u>	<u>961</u>	<u>19</u>

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(8) LONG-TERM LIABILITIES, (continued)

Pledged Revenue

The City and its component units have a number of debt issuances outstanding that are collateralized by the pledging of certain revenues. The amount and term of the remainder of these commitments are indicated in the debt service to maturity tables presented in the accompanying notes. The purposes for which the proceeds of the related debt issuances were utilized are disclosed in the debt descriptions in the accompanying notes. For the current year, debt service payments as a percentage of the pledged gross revenue (or net of certain expenses where so required by the debt agreement) are indicated in the table below. These percentages also approximate the relationship of debt service to pledged revenue for the remainder of the term of the commitment:

<u>Description of Pledged Revenue</u>	<u>Annual Amount of Pledged Revenue (net of expenses, where required)</u>	<u>Annual Debt Service Payments (of all debt secured by this revenue)</u>	<u>Debt Service as a Percentage of Pledged Revenue</u>
Merged Capital Projects Area:			
Golden State	\$ 13,764	11,350	82.50%
City Centre	4,516	2,325	51.50%
South San Fernando	1,150	343	29.80%
West Olive Capital Projects Area	4,928	948	19.20%
Water Revenues	25,734	2,386	9.27%
Electric Revenues	197,272	6,127	3.11%
Water Rec. & Sewer	15,915	1,417	8.90%
Refuse Collection & Disposal	15,474	964	6.23%

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(9) RECEIVABLES

Receivables at June 30, 2012 consist of the following :

	General Fund	Golden State	Merged Proj. Area	Low/Mod Housing	General Cap. Proj.	
Governmental activities :						
Accounts receivable, net	\$ 1,659	-	-	43	-	
Interest receivable	201	-	-	-	160	
Taxes receivable, net	8,437	-	-	-	-	
Notes receivable	-	-	-	37,739	-	
Total	\$ 10,297	-	-	37,782	160	
	Public Fin. Authority	Nonmajor Govt'l Funds	Internal Service Funds	Total Govern- mental		
Governmental activities :						
Accounts receivable, net	-	970	329	3,001		
Interest receivable	29	41	250	681		
Taxes receivable, net	-	-	-	8,437		
Notes receivable	-	-	-	37,739		
Total	29	1,011	579	49,858		
	Water Reclam. & Sewer	Electric	Water	Refuse Collect. & Disposal	Nonmajor Prop. Funds	Total Business Type
Business-type activities :						
Accounts receivable, net	\$ 1,261	15,072	3,344	1,556	39	21,272
Interest receivable	81	137	27	88	1	334
Total	\$ 1,342	15,209	3,371	1,644	40	21,606

The low and moderate income housing fund has outstanding developer notes receivable with the Burbank Housing Corporation (BHC). The terms of the notes are fifty-five years from date of issuance with a stated interest rate of 3%. At the end of each notes' term, the City will receive either the outstanding principal and interest on the loans, or as first lien holder on the underlying land and buildings, will receive the properties back. If the City receives the properties in lieu of payment from the BHC, those properties can then be used for any purpose the City chooses. The City records notes receivable at the lesser of a) the aggregate outstanding principal and interest balances on the notes receivable, or b) the estimated aggregate values of the underlying properties at the end of their respective note receivable term (i.e.; fifty-five years after the start of each loan, not present valued back to June 30, 2011). The City reports the notes receivable balance in restricted fund balance in the governmental funds statements and in restricted net assets in governmental activities in the entity-wide statements. As of June 30 2012, the notes receivable balance was \$37,782, net of an allowance for doubtful accounts of \$16,429. For the fiscal year ended June 30, 2012, the allowance for doubtful accounts increased \$784.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(9) RECEIVABLES, (continued)

The Community Development and Block Grant (CDBG) and HOME funds provide loans to the BHC and to individuals. The loan terms for each loan are various lengths with stated interest rates ranging from 0% to 6% and are scheduled to be forgiven at the end of their respective term. The City records the notes receivable balance, and an allowance for doubtful accounts equal to 100% of the outstanding note balance. The notes receivable balance for CDBG as of June 30, 2012 was \$0, net of an allowance for doubtful accounts of \$2,213, in both the governmental activities and the governmental funds. The notes receivable balance for HOME as of June 30, 2012 is \$0, net of an allowance for doubtful accounts of \$7,766, in both the governmental activities and the governmental funds.

(10) COMMITMENTS AND CONTINGENCIES

Media City Center Mall

In September 1992, the City entered into a Disposition and Development Agreement (DDA) which obligated the City to rebate either amounts equivalent to specified portions of property and sales taxes generated by the mall, or an amount equal to \$51,500 plus interest. These amounts helped offset the original construction costs incurred for construction of the Macy's building, and parking and related common area facilities at the Media City Centre mall that are owned by the developer. These payments to the developer are scheduled through February 1, 2016. After this date, the City will no longer be required to make payments to the developer. No liability has been recorded for this obligation, but for the year ended June 30, 2012, the City received \$3,342 in revenue which was paid to the developer under this agreement.

Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact to the City over and above the amounts recorded as claims liability. City management believes that the claims liability recorded within the self-insurance internal service fund is sufficient to cover any potential losses, should an unfavorable outcome result and that any overage would be covered by the City's excess insurance pool, ACCEL.

Construction commitments

Outstanding construction commitments include \$1,675 for Verdugo pool renovation \$789 for Buena Vista/Vanowen intersection renovation and \$699 for I-5/S-134 congestion management.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES

A - RETAIL ENERGY SUPPLY

The City receives electricity through firm contracts, local generation, and market purchases. The majority of electricity is delivered through firm contracts, which include "take or pay" and term purchases. Local generation and market purchases supplement firm contracts to meet Burbank's retail load requirements.

B - TAKE OR PAY CONTRACTS

The City of Burbank has entered into "Take or Pay" contracts to provide for future electric generating capacity for Burbank electric utility customers. These contracts are not considered joint ventures since the City has no interest in the assets, liabilities, or equity associated with any of the projects to which these take or pay contracts refer. The City is, however, obligated to pay its share of the amortized cost of indebtedness and operating and maintenance costs, regardless of the ability of the contracting agency to provide electricity or the City's need for the electricity. However, in the opinion of management, the City does not have a financial responsibility for purposes of GASB statement no. 14, "Financial Reporting Entity", because the Southern California Public Power Authority (SCPPA) and the Intermountain Power Agency (IPA) do not depend on revenue from the City to continue in existence. Obligation for this indebtedness is through participation in two joint powers agencies, SCPPA and IPA.

These contracts constitute an obligation of the Electric Utility Fund to make debt service payments from its operating revenues. The Electric Utility Fund's share of debt service is not recorded as an obligation on the accompanying basic financial statements; however, it is included as a component of its power supply expenses.

During the fiscal years ended June 30, 2012 and 2011, respectively, the Electric Fund made payments totaling \$34,397 and \$34,433 for "take or pay" contracts, and \$2,689 and \$2,362 for the "take and pay" contract.

(a) Intermountain Power Agency

In 1980, the City of Burbank, along with the cities of Los Angeles, Anaheim, Glendale, Pasadena and Riverside, entered into a power sales contract with IPA, which obligates each California purchaser to purchase, on a "take or pay" basis, a percentage share of capacity and energy generated by the IPP. The City, along with Los Angeles, Glendale and Pasadena, also entered into an Excess Power Sales Agreement, also on a "take or pay" contract, with Utah municipal and cooperative IPP purchasers, which is surplus to such Utah purchasers' needs, and will be made available to the City, Los Angeles, Glendale, and Pasadena. The City's participation interest in the power generated by IPP is 3.371%. The project was completed on May 1, 1987, and is currently generating power.

Southern California Public Power Authority

SCPPA membership consists of ten Southern California cities and one public district of the State of California, which serves the electric power needs of their Southern California electricity customers. SCPPA, a public entity organized under the laws of the State of California, was formed by a joint powers agreement dated November 1, 1980, pursuant to the joint exercise of powers act of the State of California. SCPPA was created for the purpose of planning, financing, developing, acquiring, constructing, operating and maintaining projects for the generation and transmission of electric energy for sale to its participants. The joint powers agreement has a term of fifty years.

Hoover uprating project (HU)

On March 1, 1986, SCPPA and six participants entered into an agreement pursuant to which each participant assigned its entitlement to capacity and associated firm energy to SCPPA in return for SCPPA's agreement to make advance payments to the United States Bureau of Reclamation (USBR) on behalf of such participants. SCPPA has an 18.68% interest in the contingent capacity of the Hoover uprating project. All seventeen "uprated" generators of the HU have commenced commercial operations. The City has a 16% ownership interest in this project.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES, (continued)

Southern Transmission System Project

Pursuant to an agreement dated as of May 1, 1983 with the IPA, SCPPA made payments-in-aid of construction to IPA to defray all costs of acquisition and construction of the Southern Transmission System project (STS), which provides for the transmission of energy from the Intermountain Generating Station in Utah to Southern California. STS commenced commercial operations in July 1986. The Department of Water and Power of the City of Los Angeles (LADWP), a member of SCPPA, serves as project manager and operating agent of the Intermountain Power Project (IPP). The City's ownership share of this project is 4.5%.

Mead-Phoenix

SCPPA entered into an agreement dated as of December 17, 1991 to acquire an interest in the Mead-Phoenix Project, a transmission line extending between the Westwing substation in Arizona and the Marketplace substation in Nevada. The agreement provides SCPPA with an 18.31% interest in the Westwing-Mead project, a 17.76% interest in the Mead substation project component and a 22.41% interest in the Mead-Marketplace component. The City's ownership share of Mead-Phoenix is 15.4%.

Mead-Adelanto

SCPPA also entered into an agreement dated as of December 17, 1991 to acquire a 67.92% interest in the Mead-Adelanto Project, a transmission line extending between the Adelanto substation in Southern California and the marketplace substation in Nevada. Funding for these projects was provided by a transfer of funds from the multiple project fund and commercial operations commenced in April 1996. LADWP serves as the operations manager of Mead-Adelanto. The City's ownership share of Mead-Adelanto is 11.5%.

Palo Verde

Pursuant to an assignment agreement dated as of August 14, 1981 with the Salt River project, SCPPA purchased a 5.91% interest in the Palo Verde Nuclear Generating Station, a 3,810 megawatt nuclear-fueled generating station near Phoenix, Arizona, and a 6.55% share of the right to use certain portions of the Arizona nuclear power project valley transmission system (collectively, the Palo Verde Project). Units 1, 2 and 3 of the Palo Verde Project began commercial operations in January 1986, September 1986, and January 1988 respectively. The City's ownership share of this project is 4.4%.

Magnolia Power Project

In March 2003, the City of Burbank entered into a power sales agreement with SCPPA for the Magnolia Power Project (MPP). MPP commenced commercial operation in September 2005. MPP is a combined-cycle natural gas fired generation plant with a nominally rate net base capacity of 224 megawatts. The City is obligated for 97.6 megawatts or 30.992% of its output. The City's share of outstanding debt is 32.35%, which excludes debt relating solely to the City of Cerritos. The City of Burbank is also MPP's operating agent.

A summary of the City of Burbank "take or pay" contracts and related projects and its contingent liability at June 30, 2012 is shown on the following page :

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES, (continued)

	Bonds and notes outstanding	City of Burbank portion *	City of Burbank share of bonds	City obligation of total debt service
Intermountain Power Project	\$ 2,190,575	3.371%	73,844	90,326
SCPPA				
Hoover	\$ 11,355	15.957%	1,812	2,107
Southern Transmission System	812,669	4.498%	36,554	49,276
Mead-Adelanto	162,640	11.534%	18,759	22,480
Mead-Phoenix	50,555	15.400%	7,785	9,290
Palo Verde	69,100	4.400%	3,040	3,275
Magnolia Power Project (Project A)	349,784	32.350%	113,155	170,030
Natural Gas Pinedale	7,920	100.000%	7,920	11,793
Natural Gas Barnett	24,530	100.000%	24,530	36,527
Natural Gas Prepaid Project #1	321,396	33.099%	106,379	192,099
Milford I Wind Project	229,640	5.000%	11,482	17,653
Tieton Hydropower Project	52,050	50.000%	26,025	50,390
SCPPA Total	2,091,639	17.089%	357,441	564,920
Total	\$ 4,282,214	10.072%	\$ 431,285	\$ 655,246

* Burbank share % and amounts estimated based on weighted average.

The City has the following required debt service payments of principal and interest per the agreements discussed above :

	2012/13		2013/14		2014/15	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	4,874	2,895	7,411	2,654	7,055	2,311
SCPPA						
Hoover	266	46	280	79	293	66
IPP STS	2,563	727	2,210	1,415	2,267	1,367
Mead-Adelanto	1,757	440	1,876	765	2,022	641
Mead-Phoenix	852	186	909	315	801	255
Palo Verde	469	38	483	64	499	52
Magnolia Pwr. Project	3,080	2,019	4,963	3,787	3,329	3,639
Natural Gas Pinedale	660	214	570	400	549	375
Natural Gas Barnett	2,045	661	1,765	1,238	1,701	1,160
Natural Gas Prepaid Project #1	1,586	2,706	1,341	5,332	1,279	5,265
Milford I Wind Project	393	275	407	537	423	521
Tieton Hydropower Project	388	646	395	1,284	408	1,273
Total	18,933	10,853	22,610	17,870	20,626	16,925

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES, (continued)

	2015/16		2016/17		2017/22	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	8,451	2,150	4,329	1,901	36,878	4,591
SCPPA						
Hoover	308	51	324	35	341	18
IPP STS	2,336	1,312	2,325	1,256	13,480	4,696
Mead-Adelanto	2,029	538	2,044	434	9,031	903
Mead-Phoenix	804	214	816	173	3,604	360
Palo Verde	514	40	529	27	546	14
Magnolia Pwr. Project	3,461	3,507	3,614	3,357	12,311	14,850
Natural Gas Pinedale	549	349	541	319	2,042	1,203
Natural Gas Barnett	1,701	1,081	1,674	987	6,323	3,726
Natural Gas Prepaid Project #1	1,345	5,201	1,411	5,134	10,923	24,389
Milford I Wind Project	441	503	459	485	2,650	2,068
Tieton Hydropower Project	420	1,259	435	1,244	2,508	5,893
Total	22,359	16,205	18,501	15,352	100,637	62,711

	2022/27		2027/32		2032/37	
	Principal	Interest	Principal	Interest	Principal	Interest
Intermountain Power Project	4,846	(19)	-	-	-	-
SCPPA						
Hoover	\$ -	-	-	-	-	-
IPP STS	9,843	1,857	1,530	92	-	-
Mead-Adelanto	-	-	-	-	-	-
Mead-Phoenix	-	-	-	-	-	-
Palo Verde	-	-	-	-	-	-
Magnolia Pwr. Project	17,403	11,940	22,598	8,804	42,397	4,972
Natural Gas Pinedale	1,514	706	1,261	295	234	14
Natural Gas Barnett	4,691	2,187	3,904	913	726	44
Natural Gas Prepaid Project #1	21,207	20,531	36,043	13,593	31,244	3,569
Milford I Wind Project	3,364	1,354	3,346	428	-	-
Tieton Hydropower Project	4,115	5,094	4,420	3,919	5,640	2,698
Total	66,983	43,650	73,102	28,044	80,241	11,297

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(11) POWER SUPPLY EXPENSES, (continued)

	2037/42		Total	
	Principal	Interest	Principal	Interest
Intermountain Power Project	\$ -	-	73,844	16,482
SCPPA				
Hoover	-	-	1,812	295
IPP STS	-	-	36,554	12,722
Mead-Adelanto	-	-	18,759	3,721
Mead-Phoenix	-	-	7,786	1,503
Palo Verde	-	-	3,040	235
Magnolia Pwr. Project	-	-	113,156	56,875
Natural Gas Pinedale	-	-	7,920	3,875
Natural Gas Barnett	-	-	24,530	11,997
Natural Gas Prepaid Project #1	-	-	106,379	85,720
Milford I Wind Project	-	-	11,483	6,171
Tieton Hydropower Project	7,298	1,056	26,027	24,366
Total	<u>7,298</u>	<u>1,056</u>	<u>431,290</u>	<u>223,962</u>

(12) ACCRUED LIABILITIES

Accrued liabilities for Governmental and Business Type Activities June 30, 2012, consist of the following:

	Governmental Activities	Business Type Activities
Accrued expenditures	\$ 1,223	\$ 11,475
Accrued payroll	5,245	1,067
Other liabilities *	5,413	-
Total	<u>\$ 11,881</u>	<u>\$ 12,542</u>

* Includes employer and employee paid PERS contributions.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(13) DEFERRED COMPENSATION PLANS

The City has adopted a deferred compensation plan in accordance with Internal Revenue Code Section 457 and 457p for its eligible full-time and part-time employees respectively.

Pursuant to changes in August, 1966 of IRC section 457, the City formally established a trust in which all assets and income of the 457 plans were placed. The assets, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are no longer the property of the City, and as such are not subject to the claims of the City's general creditors, thus the assets of these plans are not reflected in the accompanying basic financial statements.

As of June 30, 2012, the City's deferred compensation plan had accumulated assets of \$108,589 under the 457 plan, and \$651 under the 457p plan.

(14) BOND DEFEASANCE FOR FIDUCIARY ACTIVITIES

In prior years, various bonds were defeased by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the old obligations. Accordingly, the trust account assets and the related liabilities for these defeased bonds are not reflected in the City's basic financial statements. At June 30, 2012, the following represents the amounts still outstanding on bonds considered defeased :

\$ 23,200 2003 Golden State Subordinated Tax Allocation Bonds, 2003 Series A

(15) PREPAID ITEMS AND DEPOSITS

The City shows a total of \$28,272 in prepaid items and deposits. \$27,357 of the prepaid items are in the Electric Utility and \$95 in the general fund and Governmental entity-wide statements (\$19 in the general fund statements and \$46 in the Magnolia Power Plant fund statements), with incidental amounts in other funds. The composition of these prepaid items include \$18,506 in prepaid fuel held by SCPPA and the Tieton Hydro Power Plant Project, \$713 related to the Warner Brothers lease, as fully described in note 17.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(16) SELF-INSURANCE

The City is self-insured for the first \$1,000 on each general liability claim against the City. The City also self-insures for the first \$2,000 for each workers compensation claim. At June 30, 2012, \$4,182 was accrued for general liability claims, and \$28,570 accrued for workers compensation claims. These amounts were determined by an actuarial study, performed biannually. These accruals represent estimates of amounts to be paid for incurred and reported claims as well as incurred but unreported claims based upon past experience and modified for current trends and information. See the end of this note for a table showing changes in the aggregate liabilities for the past two years.

While the ultimate amounts of losses incurred through June 30, 2012, are dependent on future developments, based upon information provided from the City Attorney, outside legal counsel and others involved with the administration of the programs, City management believes that the aggregate accrual is adequate to cover such losses. The City is insured with outside insurance carriers for \$2,000 in excess of self-insurance limits per claim. There have been no reductions during the fiscal year in insurance coverage, nor have there been any settlements in excess of insurance coverage for the past three years.

The City participated in California Authority for Municipal Excess Liability (CAMEL), which is a joint insurance purchasing arrangement, from July 1998 to June 2004. The City rejoined ACCEL on July 1, 2004.

Authority for California Cities Excess Liability (ACCEL)

Since of July 1, 2004, the City has been a member in ACCEL, which is a risk sharing pool for municipal excess liability. Each individual member self-insures all general liability losses for the first \$1,000 and the members of the pool share losses between \$1,000 and \$5,000. The members jointly purchase additional layers of coverage beyond the pooled layer, with Burbank purchasing an additional \$45,000 of excess coverage, for total coverage of \$50,000. The layers of coverage above \$5,000 are not pooled, but rather jointly purchased.

Changes in the self-insurance liability for the last two fiscal years were as follows :

	Fiscal year	
	<u>2010/11</u>	<u>2011/12</u>
Beginning liability, July 1	\$ 24,625	31,277
Claims and changes in estimates	13,387	11,061
Claims payments during the year	(6,735)	(9,586)
Ending liability, June 30	<u>\$ 31,277</u>	<u>32,752</u>

The claims liability is reported as a long-term liability in the self-insurance internal service funds and in long term liabilities in the Governmental Activities.

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(17) LEASE OBLIGATIONS

OPERATING LEASES

The City is lessee under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected as assets or liabilities in the City's statement of net assets.

Golf Carts

The City has entered into an agreement for a four year lease of 80 golf carts and one beverage cart for the period through May 2015. The cost for this lease is \$82 per year.

The following is a schedule by year of estimated future minimum rental payments required under the operating lease as of June 30 :

Year ended June 30 :	Golf Fund
2013	82
2014	82
2015	75
Total minimum lease payments	<u>\$ 239</u>

The lease expense for the year ended June 30, 2012 was \$82.

Prepaid Leases

Warner Brothers

In June 2000, the City of Burbank made a prepaid lease payment of \$1,500 to Warner Brothers Studios for the use of land to locate a new switching station. The terms of the agreement was an advance payment of \$1,500 for a twenty-year lease term, with the City's right to renew for ten years at an annual base payment of \$50 in year 21, with a 3% increase in years 22-30. The lease began in January 2002. For the fiscal Year Ended June 30, 2012, the electric fund amortized \$75 on this prepaid lease, leaving a balance of \$713 (see note 15).

NOTES TO BASIC FINANCIAL STATEMENTS**(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

The City contributes to three retiree healthcare benefit plans. The first is the Burbank Employees Retiree Medical Trust (BERMT). This single employer, defined benefit plan, was established in April 2003 by the city's employee associations to provide post retirement medical benefits to all non-safety employees, including elected and appointed officials. Plan members are required to contribute fifty dollars per bi-weekly pay period, which the City matches. Plan provisions and contribution requirements are established by and may be amended by BERMT board. The trust is controlled by the seven voting members from the various employee associations appointed to three year terms. The City appoints an eighth member to the board, but that member is non-voting. Investments are determined by the BERMT plan trustees, and are governed by ERISA provisions. Eligibility for benefits require that members are retired, and have reached age 58 with a minimum of 5 years of contributions into the plan. The benefit given is up to \$300 in reimbursements per month, for eligible medical expenses.

The second plan is the CalPERS Healthcare (PEMHCA) plan, established by CalPERS under the authority of section 22750 to 22948 of the state of California's government code, a single employer plan. The City pays the required PEMHCA minimum contribution for all miscellaneous and safety employees retiring directly from the City. The City pays \$110 per month for all miscellaneous and safety employees. In addition, the City pays \$175 per month for 23 management retirees, and pays \$188 per month for 9 IBEW retirees. The PEMHCA minimum required contribution is included in the \$175 but is paid in addition to the \$188. The PEMHCA benefit provisions are established and amended through negotiations between the City and its unions.

The third plan is the Utility Retiree Medical Trust, a single employer plan, established during the 2008/09 fiscal year for IBEW members and 12 management employees as a supplement to benefit payments from BERMT and PEMHCA. The total target benefit is \$600/month for fiscal year 2011/12, including payments from BERMT, PEMHCA minimum and Utility Retiree Medical Trust. For the fiscal year 2011/12, the City contributed \$190. The City's ARC was \$179 (in thousands) for the fiscal year 2011/12.

The City pre-funds the BERMT with both member and City contributions. The BERMT members are required to contribute fifty dollars per pay period and the City contributes the same amount. For the fiscal year 2010/11, the City contributed \$1,367 (in thousands) to BERMT. The City's ARC was \$1,545 (in thousands) for BERMT in the fiscal year 2011/12.

The City has pre-funded the PEMHCA Plan through CalPERS OPEB Trust (CERBT) and has a policy of contributing 100% of the City's Annual Required Contribution (ARC) each year. For the fiscal year 2011/12, the City contributed \$1,898 (in thousands), including \$652 (in thousands) in benefit payments and \$1,246 (in thousands) deposit to CERBT. The City's ARC was \$1,114 (in thousands) for the fiscal year 2011/12.

The CERBT is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to pre-fund OPEB as described in GASB Statement 45. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information for the City, not individualized, but in aggregate with the other CERBT participating agencies. BERMT also issues publicly available financial statements. These reports may be obtained by writing or calling the plans at the following addresses:

PEMHCA CERBT - State of California PERS - 400 Q St - Sacramento, CA 95811

BERMT Delta Health Systems - Attn: Cindi Forbes - 555 W Benjamin Holt Drive, Stockton, CA 95207. (800) - 700-6762

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

The City's annual other post-employment benefit (OPEB) cost for each plan is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table, based on the City's actuarial valuation as of June 30, 2011, shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the City's Net OPEB obligation:

	BERMT	PEMHCA	URMT
Annual required contribution	\$ 1,545	1,114	179
Interest on net OPEB obligation/(asset)	(108)	(579)	(287)
Adjustment to annual required contribution	140	489	243
Annual OPEB cost	1,577	1,024	135
Contributions made	(1,367)	(1,898)	(84)
Decrease in net OPEB obligation	210	(874)	51
Net OPEB obligation/(asset) - beginning of year	(1,883)	(7,472)	(3,708)
Net OPEB asset - end of year	\$ (1,673)	(8,346)	(3,657)

The OPEB funding excess is recorded as part of Net pension/OPEB Assets on the Statement of Net Assets. The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for each of the plans were as follows :

	Year Ended	Annual OPEB Cost	Pct of OPEB cost Contributed	Net OPEB Obligation
BERMT	6/30/2010	\$ 890	128.3%	\$ (1,817)
PEMHCA	6/30/2010	1,162	178.3%	(6,801)
URMT	6/30/2010	510	914.1%	(3,642)
BERMT	6/30/2011	\$ 1,305	105.1%	\$ (1,883)
PEMHCA	6/30/2011	1,185	156.6%	(7,472)
URMT	6/30/2011	124	153.2%	(3,708)
BERMT	6/30/2012	\$ 1,577	86.7%	\$ (1,673)
PEMHCA	6/30/2012	1,024	185.4%	(8,346)
URMT	6/30/2012	135	62.2%	(3,657)

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

Funded status and funding progress

The funded status of the plans as of June 30, 2012 was:

	BERMT	PEMHCA	URMT
Actuarial accrued liability (a)	\$ 42,891	21,953	5,677
Actuarial value of plan assets (b)	16,782	13,390	5,866
Unfunded actuarial accrued liability (funding excess) (a)-(b)	26,109	8,563	(189)
Funded ratio (b) / (a)	39.1%	61.0%	103.3%
Covered payroll (c)	89,772	117,001	17,345
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a)-(b))/(c))	29.1%	7.3%	-1.1%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for the benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows :

	BERMT	PEMHCA	URMT
Actuarial valuation date	6/30/2011	6/30/2011	6/30/2011
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Dollar for 30 years	Level % of pay for 28 years	Level % of pay for 28 years
Amortization period	Closed	Closed	Closed
Actuarial asset method	5 year smoothed ≥80% and ≤ 120% of market value	5 year smoothed ≥80% and ≤ 120% of market value	5 year smoothed ≥80% and ≤ 120% of market value

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(18) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS, (continued)

	BERMT	PEMHCA	URMT
Actuarial assumptions :			
Discount rate	5.75%	7.75%	7.75%
General inflation	3.00%	3.00%	3.00%
Aggregate payroll increases	3.25%	3.25%	3.25%
COLA	0.00%	N/A	4.50%
Healthcare trend (HMO)	N/A	10.1% initial, 4.5% ultimate	N/A
Healthcare trend (PPO)	N/A	10.8% initial, 4.5% ultimate	N/A
PEMHCA minimum increases			
2008	N/A	\$ 97	\$ 97
2009	N/A	101	101
2010	N/A	105	105
2011	N/A		
2012+	N/A	4.50% Increase Per Year	4.50% Increase Per Year
Mortality, withdrawal, disability	CalPERS 1997-2007	CalPERS 1997-2007	CalPERS 1997-2007
Retirement	CalPERS 1997-2007	CalPERS 1997-2007	CalPERS 1997-2007

	Actuarial Valuation Date	Actuarial Value of Assets (b)	Actuarial Accrued Liability (a)	Unfunded Actuarial Accrued Liability (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
BERMT	6/30/2012	\$ 16,782	\$ 42,891	\$ 26,109	39.1%	\$ 89,772	29.1%
PEMHCA	6/30/2012	13,390	21,953	8,563	61.0%	117,001	7.3%
URMT	6/30/2012	5,866	5,677	(189)	103.3%	17,345	-1.1%

(19) PENSION/OPEB ASSET

	Governmental Activities	Business-Type Activities	Total
Net OPEB asset - end of year BERMT	\$ 1,673		1,673
Net OPEB asset - end of year PEMHCA		8,346	8,346
Net OPEB asset - end of year URMT		3,657	3,657
Net Pension Asset (amortized over the life of the asset) (Original amount \$30,121)	24,430		-
	<u>\$ 34,449</u>	<u>\$ 3,657</u>	<u>13,676</u>

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(20) ADDITIONAL INFORMATION

Burbank Operable Unit (BOU)

Pursuant to a consent decree of March 25, 1992, Lockheed Martin Corporation (Lockheed) constructed a groundwater treatment system, now known as the BOU, on property within and owned by the City, designed to treat volatile organic compounds contaminating groundwater in parts of the San Fernando Groundwater Basin. A second consent decree, dated May 28, 1997, provided that Lockheed was responsible for the cost of operation and maintenance of the BOU, through at least December 11, 2018. The City recognized ownership of the BOU on December 1, 1998. However, due to the major uncertainties that existed concerning the realizability within reasonable limits of a fair value of the BOU, the City did not recognize any value associated with the BOU in the accompanying basic financial statements. On December 12, 2000, the commencement date, the City became responsible for oversight of the BOU. The BOU represents an ongoing obligation of Lockheed to mitigate damages to the aforementioned basin groundwater. In the fiscal year 2018-19, the United States Environmental Protection Agency (EPA) will determine the disposition of the BOU.

Deferred Revenue

The General fund records deferred revenue of \$1,664 for sales taxes related to the "Triple Flip" and sales tax true up as of June 30, 2012. This amount is a component of net assets in the government-wide financial statements.

Deficit fund balances

The Agency Fiduciary Trust fund has a deficit fund balance of \$144,010, which is expected to be offset by future tax increment revenues to the extent that they are received. Magnolia Power Plant also had a deficit fund balance of \$396, which is expected to be offset by future revenues. Tieton Hydro had a deficit fund balance of \$146, which is expected to be offset by future revenues. The Workers-Compensation Self-Insurance fund also has a deficit fund balance of \$7,786, which is expected to be offset by future rate increases.

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(21) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1 X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Burbank that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit and is now recorded in the City as a Fiduciary Fund.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 31, 2012, the City Council elected to become the successor agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 28483.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. As of June 30, 2012 the City's net assets increased by \$116,599 as a result of moving net debt to the Successor Agency.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continues to be reported in the governmental funds of the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

City of Burbank

Year Ended June 30, 2012

(in thousands)

NOTES TO BASIC FINANCIAL STATEMENTS

(21) SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (continued)

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary gain recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in governmental funds - increase in net assets of the Successor Agency Trust Fund	\$ 37,354
Long-term debt reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	<u>(153,953)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u><u>\$ (116,599)</u></u>

City of Burbank

Year Ended June 30, 2012

(in thousands)

REQUIRED SUPPLEMENTARY INFORMATION

(A) SCHEDULE OF PENSION FUNDING PROGRESS (Unaudited)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) (B)	(Excess) Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll {(B-A)/C}
6/30/09:						
Misc.	510,113	604,602	94,489	84.4%	80,524	117.3%
Fire	155,355	166,406	11,051	93.4%	14,262	77.5%
Police	180,464	208,521	28,057	86.5%	17,588	159.5%
Total	<u>845,932</u>	<u>979,529</u>	<u>133,597</u>	86.4%	<u>112,374</u>	118.9%
6/30/10:						
Misc.	530,031	632,197	102,166	83.8%	81,705	125.0%
Fire	160,138	170,747	10,609	93.8%	14,077	75.4%
Police	186,124	214,781	28,657	86.7%	16,635	172.3%
Total	<u>876,293</u>	<u>1,017,725</u>	<u>141,432</u>	86.1%	<u>112,417</u>	125.8%
6/30/2011						
Misc.	563,862	665,537	101,675	84.7%	81,584	124.6%
Fire	165,685	178,800	13,115	92.7%	13,375	98.1%
Police	192,000	225,519	33,519	85.1%	15,932	210.4%
Total	<u>921,547</u>	<u>1,069,856</u>	<u>148,309</u>	86.1%	<u>110,891</u>	133.7%

(B) SCHEDULE OF OPEB FUNDING PROGRESS (Unaudited)

Burbank Employees Retiree Medical Trust (BERMT)

6/30/2012	16,782	42,891	26,109	39.1%	89,772	29.1%
6/30/2011	13,892	37,067	23,175	37.5%	80,511	28.8%
6/30/2010	10,627	34,279	23,652	31.0%	86,947	27.2%

CalPERS Healthcare (PEHMHCA)

6/30/2012	13,390	21,953	8,563	61.0%	117,001	7.3%
6/30/2011	11,449	18,706	7,257	61.2%	108,908	6.7%
6/30/2010	9,055	17,454	8,399	51.9%	113,318	7.4%

Utility Retiree Medical Trust (URMT)

6/30/2012	5,866	5,677	(189)	103.3%	17,345	-1.1%
6/30/2011	5,401	4,912	(489)	110.0%	15,704	-3.1%
6/30/2010	4,661	4,403	(258)	105.9%	16,799	-1.5%

See accompanying independent auditors' report.

SUPPLEMENTARY INFORMATION

This section of the CAFR provides information on each individual fund not already provided in the basic financial statements. This section includes the:

- Major Capital Projects Funds:
 - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
- Nonmajor Governmental Funds:
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 - Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
- Internal Service Funds:
 - Combining Statement of Net Assets
 - Combining Statement of Revenues, Expenses and Changes in Net Assets
- Nonmajor Enterprise Funds:
 - Combining Balance Sheet
 - Combining Statement of Revenues, Expenditures and Changes in Net Assets

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL GOLDEN STATE DEBT SERVICE

Year ended June 30, 2012
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Property tax allocation	\$ 25,951	25,951	16,076	(9,875)
Use of money and property	164	164	1,711	1,547
Total revenues	<u>26,115</u>	<u>26,115</u>	<u>17,787</u>	<u>(8,328)</u>
Expenditures :				
Principal retirement	4,020	4,020	8,245	(4,225)
Interest and finance charges	7,362	7,362	5,462	1,900
Total expenditures	<u>11,382</u>	<u>11,382</u>	<u>13,707</u>	<u>(2,325)</u>
Excess of revenues over expenditures	<u>14,733</u>	<u>14,733</u>	<u>4,080</u>	<u>(10,653)</u>
Other financing sources (uses) :				
Transfers out	<u>(14,754)</u>	<u>(16,763)</u>	<u>(2,319)</u>	<u>14,444</u>
Total other financing sources (uses)	<u>(14,754)</u>	<u>(16,763)</u>	<u>(2,319)</u>	<u>14,444</u>
Income (Loss) before Extraordinary Item	(21)	(2,030)	1,761	3,791
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	<u>-</u>	<u>-</u>	<u>(15,497)</u>	<u>15,497</u>
Net change in fund balance	(21)	(2,030)	(13,736)	(11,706)
Fund balance, July 1, 2011	<u>14,480</u>	<u>14,480</u>	<u>13,736</u>	<u>(744)</u>
Fund balance, June 30, 2012	<u>\$ 14,459</u>	<u>12,450</u>	<u>-</u>	<u>(12,450)</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL PUBLIC FINANCING AUTHORITY DEBT SERVICE

Year ended June 30, 2012
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money and property	<u>\$ 4,120</u>	<u>4,120</u>	<u>4,200</u>	<u>80</u>
Total revenues	<u>4,120</u>	<u>4,120</u>	<u>4,200</u>	<u>80</u>
Expenditures :				
Principal retirement	<u>3,525</u>	<u>3,525</u>	<u>3,525</u>	<u>-</u>
Interest and finance charges	<u>2,991</u>	<u>2,991</u>	<u>2,991</u>	<u>-</u>
Total expenditures	<u>6,516</u>	<u>6,516</u>	<u>6,516</u>	<u>-</u>
Net change in fund balances	<u>(2,396)</u>	<u>(2,396)</u>	<u>(2,316)</u>	<u>80</u>
Fund balance, July 1, 2011	<u>91,324</u>	<u>91,324</u>	<u>90,337</u>	<u>(987)</u>
Fund balance, June 30, 2012	<u><u>\$ 88,928</u></u>	<u><u>88,928</u></u>	<u><u>88,021</u></u>	<u><u>(907)</u></u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL MERGED PROJECT AREA CAPITAL PROJECTS

Year ended June 30, 2012
(in thousands)

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	\$ 69	69	415	346
Charges for services	245	245	150	(95)
Total revenues	<u>314</u>	<u>314</u>	<u>565</u>	<u>251</u>
Expenditures :				
Administrative services	6,678	6,679	3,667	3,012
General capital improvements	138	138	34	104
Total expenditures	<u>6,816</u>	<u>6,817</u>	<u>3,701</u>	<u>3,116</u>
Deficiency of revenues over expenditures	(6,502)	(6,503)	(3,136)	3,367
Other financing sources (uses) :				
Transfers in	12,780	12,780	6,000	(6,780)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>12,780</u>	<u>12,780</u>	<u>6,000</u>	<u>(6,780)</u>
Income (Loss) before Extraordinary Item	6,278	6,277	2,864	(6,780)
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	<u>-</u>	<u>-</u>	<u>30,123</u>	<u>30,123</u>
Net change in fund balances	6,278	6,277	32,987	23,343
Fund deficit, July 1, 2011	<u>90,337</u>	<u>90,337</u>	<u>(32,987)</u>	<u>(123,324)</u>
Fund deficit, June 30, 2012	<u>\$ 96,615</u>	<u>96,614</u>	<u>-</u>	<u>(99,981)</u>

See accompanying independent auditors' report.

NONMAJOR GOVERNMENTAL FUNDS

This section of the CAFR provides information on each individual governmental fund, except for those major governmental funds reported in the basic financial statements: the Low and Moderate Income Housing Fund, the Golden State Debt Service Fund, the Public Financing Authority Debt Service Fund, the Merged Capital Projects Fund, and the General Capital Projects Fund. This section includes the following special revenue, debt service, and capital projects funds:

SPECIAL REVENUE FUNDS

Transportation Fund - Prop A – To account for monies received from a portion of sales tax revenue restricted to fund transportation related activities.

Transportation Fund – Prop C – To account for monies received from a portion of sales tax revenue restricted to fund transportation related activities.

AQMD Fund – To account for monies received and expended on the City's ride share program. Monies received include participant fees and funds received from the Southern California Air Quality Management District Fund.

Home Program Investment Partnership Program (HOME) – To account for HUD funding to increase the supply of affordable housing to the City.

Community Development Block Grants Fund – To account for monies received and expended by the City as a participant in the Federal Community Development Block Grant Programs.

Housing Authority Fund – To account for monies received and expended in housing assistance to low and moderate income families. Funds are provided by receipts from the Federal Section 8 Voucher Program.

State Gas Tax Fund – To account for monies received and expended from state gas tax allocation.

Disaster Relief Fund – To account for monies received and expended from federal and state grants for extraordinary costs resulting from natural disasters.

Street Lighting Fund – To account for monies received from a portion of the in-lieu tax on electricity, used for maintenance, repairs and conversion of the City's mercury and low pressure sodium street lights to high pressure sodium lights.

Supplemental Law Enforcement Services Fund – To account for grant monies received and spent from federal programs used to supplement the City's law enforcement program.

Drug Asset Forfeiture Fund – To account for monies and property seized as a result of judicial forfeitures.

Measure R Fund – To account for monies received and expended from L.A. County sales tax increase.

Magnolia Power Plant – To account for the operation of Southern California Public Power Authority's (SCPPA) joint power plant located at the City's electric utility.

Tieton Hydro – To account for the operation of Southern California Public Power Authority's (SCPPA) joint power plant located in Washington State.

DEBT SERVICE FUNDS

City Centre Debt Service Fund – To accumulate funds for payment of tax increment bonds and other redevelopment debt. Debt service is primarily financed via property tax increment in the project area.

West Olive Debt Service Fund – To accumulate funds for payment of tax increment bonds and other redevelopment debt. Debt service is primarily financed via property tax increment in the project area.

South San Fernando Debt Service Fund – To accumulate funds for payment of tax increment bonds and other redevelopment debt. Debt service is primarily financed via property tax increment in the project area.

Community Facilities District 2005 Debt Service Fund – To accumulate “Special Tax” revenues received from the property owners in the district. The amount of the special tax is the amount necessary to pay the debt service for the bonds.

CAPITAL PROJECTS FUNDS

Public Improvements Fund – To account for monies received through developer fees and grants, used for infrastructure improvements throughout the City.

West Olive Capital Projects Fund – To account for the acquisition, demolition and sale of land for those areas in Burbank designated as in need of redevelopment related activities. Primary sources of funding have been bond proceeds and property tax increments transferred from the West Olive Debt Service Funds.

Parking Authority Fund – To account for financial resources to be used for the acquisition or construction of public parking facilities on a citywide basis. The primary source of funds has been contributions from other funds.

Burbank Youth Endowment Services Fund (YES) – To account for financial resources used for new capital facilities for youth oriented programs to benefit the youth of Burbank. The YES Fund is funded by a pledge from the Burbank Redevelopment Agency of 5% of the new tax increment in each of the Golden State, City Centre, and West Olive Project areas.

City Of Burbank
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2012
(in thousands)

	Special Revenue Funds					
	Transp. Prop. A	Transp. Prop. C	AQMD	Home Program	Commun. Dev Block Grants	Housing Authority
Assets :						
Pooled cash and investments	\$ 1,413	1,502	183	156	412	1,531
Accounts receivable	2	1	-	20	654	-
Interest receivable	4	5	-	-	3	-
Interfund receivables	-	-	-	-	-	1
Intergovernmental receivables	-	-	32	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items and deposits	-	-	-	-	-	-
Total assets	<u>\$ 1,419</u>	<u>1,508</u>	<u>215</u>	<u>176</u>	<u>1,069</u>	<u>1,532</u>
Liabilities :						
Accounts payable	\$ 18	114	-	-	271	4
Interfund payable	-	-	-	-	-	136
Deposits	-	-	16	-	-	-
Advances payable	-	-	-	-	-	-
Total liabilities	<u>18</u>	<u>114</u>	<u>16</u>	<u>-</u>	<u>271</u>	<u>140</u>
Fund balances :						
Nonspendable:						
Inventory	-	-	-	-	-	-
Restricted :						
Transportation	1,401	1,394	-	-	-	-
Federal and state grants	-	-	199	176	798	1,392
Public safety	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Committed :						
Transportation	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	<u>1,401</u>	<u>1,394</u>	<u>199</u>	<u>176</u>	<u>798</u>	<u>1,392</u>
Total liabilities and fund balances	<u>\$ 1,419</u>	<u>1,508</u>	<u>215</u>	<u>176</u>	<u>1,069</u>	<u>1,532</u>

See accompanying independent auditors' report.

City Of Burbank
COMBINING BALANCE SHEET, CONTINUED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2012
(in thousands)

	Special Revenue Funds					
	State Gas Tax	Disaster Relief	Street Lighting	Sup Law Enforce Service	Comm. Services	Drug Asset Forfeiture
Assets :						
Pooled cash and investments	\$ 1,972	72	77	128	18	1,245
Accounts receivable	-	-	152	-	-	-
Interest receivable	6	-	1	1	-	4
Interfund receivable	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	98	-	1
Inventories	-	-	352	-	-	-
Prepaid items and deposits	-	-	-	-	-	-
Total assets	<u>\$ 1,978</u>	<u>72</u>	<u>582</u>	<u>227</u>	<u>18</u>	<u>1,250</u>
Liabilities :						
Accounts payable	\$ 113	-	11	-	-	3
Interfund payable	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Advances payable	-	-	-	-	-	-
Total liabilities	<u>113</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>3</u>
Fund balances :						
Nonspendable:						
Inventory	-	-	352	-	-	-
Restricted						
Transportation	1,865	-	-	-	-	-
Federal and state grants	-	72	-	-	18	-
Public safety	-	-	-	227	-	1,247
Capital projects	-	-	-	-	-	-
Committed :						
Transportation	-	-	219	-	-	-
Unassigned (deficit)	-	-	-	-	-	-
Total fund balances (deficit)	<u>1,865</u>	<u>72</u>	<u>571</u>	<u>227</u>	<u>18</u>	<u>1,247</u>
Total liabilities and fund balances	<u>\$ 1,978</u>	<u>72</u>	<u>582</u>	<u>227</u>	<u>18</u>	<u>1,250</u>

See accompanying independent auditors' report.

(Continued)

City Of Burbank
COMBINING BALANCE SHEET, CONTINUED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2012
(in thousands)

	Special Revenue Funds			Debt Service Funds		
	Measure	Magnolia	Tieton	City	West	South
	R	Power	Hydro	Centre	Olive	San
		Plant				Fernando
Assets :						
Pooled cash and investments	\$ 2,313	1,689	452	-	-	-
Accounts receivable	-	-	62	-	-	-
Interest receivable	7	4	1	-	-	-
Interfund receivable	-	-	-	-	-	-
Intergovernmental receivable	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Prepaid items and deposits	-	46	-	-	-	-
Total assets	<u>\$ 2,320</u>	<u>1,739</u>	<u>515</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities :						
Accounts payable	\$ 62	2,135	661	-	-	-
Interfund payable	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Advances payable	-	-	-	-	-	-
Total liabilities	<u>62</u>	<u>2,135</u>	<u>661</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances :						
Nonspendable:						
Inventory	-	-	-	-	-	-
Restricted						
Transportation	2,258	-	-	-	-	-
Federal and state grants	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Committed						
Transportation	-	-	-	-	-	-
Unassigned (deficit)	-	(396)	(146)	-	-	-
Total fund balances (deficit)	<u>2,258</u>	<u>(396)</u>	<u>(146)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 2,320</u>	<u>1,739</u>	<u>515</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying independent auditors' report.

City Of Burbank
COMBINING BALANCE SHEET, CONCLUDED
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2012
(in thousands)

	Debt Service Funds	Capital Projects Fund				Total Nonmajor Govern- mental Funds
	CFD 2005	Public Improve.	West Olive	Parking Authority	Youth Endowment	
Assets :						
Pooled cash and investments	\$ -	19,965	-	1,274	517	34,919
Accounts receivable	-	62	-	17	-	970
Interest receivable	-	-	-	4	1	41
Interfund receivable	-	-	-	-	-	1
Intergovernmental receivable	-	-	-	-	-	131
Inventories	-	-	-	-	-	352
Prepaid items and deposits	-	-	-	-	-	46
Total assets	<u>\$ -</u>	<u>20,027</u>	<u>-</u>	<u>1,295</u>	<u>518</u>	<u>36,460</u>
Liabilities :						
Accounts payable	\$ -	559	-	139	-	4,090
Interfund payable	-	-	-	-	-	136
Deposits	-	-	-	-	-	16
Advances payable	-	323	-	-	-	323
Total liabilities	<u>-</u>	<u>882</u>	<u>-</u>	<u>139</u>	<u>-</u>	<u>4,565</u>
Fund balances :						
Nonspendable:						
Inventory	-	-	-	-	-	352
Restricted						
Transportation	-	-	-	-	-	6,918
Federal and state grants	-	-	-	-	-	2,655
Public safety	-	-	-	-	-	1,474
Capital projects	-	-	-	1,156	518	1,674
Committed						
Transportation	-	19,145	-	-	-	19,364
Unassigned (deficit)	-	-	-	-	-	(542)
Total fund balances (deficit)	<u>-</u>	<u>19,145</u>	<u>-</u>	<u>1,156</u>	<u>518</u>	<u>31,895</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>20,027</u>	<u>-</u>	<u>1,295</u>	<u>518</u>	<u>36,460</u>

See accompanying independent auditors' report.

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2012

(in thousands)

	Special Revenue Funds					
	Transp. Prop. A	Transp. Prop. C	AQMD	Home Program	Commun. Dev Block Grants	Housing Authority
Revenues :						
Taxes	\$ 1,744	1,316	-	-	-	-
Use of money or property	14	22	2	2	9	7
Intergovernmental	141	16	131	47	1,472	8,230
Charges for services	151	117	-	-	46	-
Total revenues	<u>2,050</u>	<u>1,471</u>	<u>133</u>	<u>49</u>	<u>1,527</u>	<u>8,237</u>
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	-
Public safety :						
Police	-	-	-	-	-	-
Environmental :						
Community development	2,014	1,636	121	48	1,675	9,575
Capital outlay :						
Street improvements	-	-	-	-	-	-
General capital improvements	-	-	-	-	-	-
Total capital outlay	-	-	-	-	-	-
Debt service :						
Principal retirement	-	-	-	-	-	-
Interest and finance charges	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-
Total expenditures	<u>2,014</u>	<u>1,636</u>	<u>121</u>	<u>48</u>	<u>1,675</u>	<u>9,575</u>
Excess (deficiency) of revenues over expenditures	<u>36</u>	<u>(165)</u>	<u>12</u>	<u>1</u>	<u>(148)</u>	<u>(1,338)</u>
Other financing sources (uses) :						
Transfers in (note 7)	-	-	-	-	-	-
Transfers out (note 7)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Income before Extraordinary Item	36	(165)	12	1	(148)	(1,338)
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	-	-	-	-	-	-
Net change in fund balance	36	(165)	12	1	(148)	(1,338)
Fund balance, July 1, 2011	<u>1,365</u>	<u>1,559</u>	<u>187</u>	<u>175</u>	<u>946</u>	<u>2,730</u>
Fund balance, June 30, 2012	<u>\$ 1,401</u>	<u>1,394</u>	<u>199</u>	<u>176</u>	<u>798</u>	<u>1,392</u>

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2012

(in thousands)

	Special Revenue Funds					
	State Gas Tax	Disaster Relief	Street Lighting	Sup Law Enforce Service	Comm. Services	Drug Asset Forfeiture
Revenues :						
Taxes	\$ -	-	-	-	-	-
Use of money or property	10	-	62	4	9	13
Intergovernmental	3,012	-	-	277	-	41
Charges for services	-	-	17	-	-	-
Total revenues	<u>3,022</u>	<u>-</u>	<u>79</u>	<u>281</u>	<u>9</u>	<u>54</u>
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	-
Public safety :						
Police	-	-	-	314	-	99
Environmental :						
Community development	-	-	-	-	12	-
Capital outlay :						
Street improvements	260	-	2,444	-	-	-
General capital improvements	-	-	-	-	-	-
Total capital outlay	<u>260</u>	<u>-</u>	<u>2,444</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt service :						
Principal retirement	-	-	-	-	-	-
Interest and finance charges	-	-	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>260</u>	<u>-</u>	<u>2,444</u>	<u>314</u>	<u>12</u>	<u>99</u>
Excess (deficiency) of revenues over expenditures	<u>2,762</u>	<u>-</u>	<u>(2,365)</u>	<u>(33)</u>	<u>(3)</u>	<u>(45)</u>
Other financing sources (uses) :						
Transfers in (note 7)	-	-	2,319	-	-	-
Transfers out (note 7)	(1,971)	-	-	-	(2)	-
Total other financing sources (uses)	<u>(1,971)</u>	<u>-</u>	<u>2,319</u>	<u>-</u>	<u>(2)</u>	<u>-</u>
Income before Extraordinary Item	791	-	(46)	(33)	(5)	(45)
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	791	-	(46)	(33)	(5)	(45)
Fund balance, July 1, 2011	<u>1,074</u>	<u>72</u>	<u>617</u>	<u>260</u>	<u>23</u>	<u>1,292</u>
Fund balance, June 30, 2012	<u>\$ 1,865</u>	<u>72</u>	<u>571</u>	<u>227</u>	<u>18</u>	<u>1,247</u>

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2012

(in thousands)

	Special Revenue Funds			Debt Service Funds		
	Magnolia					South
	Measure	Power	Tieton	City	West	San
	R	Plant	Hydro	Centre	Olive	Fernando
Revenues :						
Taxes	\$ 980	-	-	4,671	3,942	920
Use of money or property	4	14	-	845	4	21
Intergovernmental	-	-	-	-	-	-
Charges for services	-	15,857	745	-	-	-
Total revenues	984	15,871	745	5,516	3,946	941
Expenditures :						
General government :						
Administrative services	-	-	-	-	-	-
Public safety :						
Police	-	-	-	-	-	-
Environmental :						
Community development	-	16,000	891	-	-	-
Capital outlay :						
Street improvements	61	-	-	-	-	-
General capital improvements	6	-	-	-	-	-
Total capital outlay	67	-	-	-	-	-
Debt service :						
Principal retirement	-	-	-	1,865	480	105
Interest and finance charges	-	-	-	2,938	2,189	221
Total debt service	-	-	-	4,803	2,669	326
Total expenditures	67	16,000	891	4,803	2,669	326
Excess (deficiency) of revenues over expenditures	917	(129)	(146)	713	1,277	615
Other financing sources (uses) :						
Transfers in (note 7)	-	-	-	-	-	-
Transfers out (note 7)	-	-	-	(487)	(45)	(1)
Total other financing sources (uses)	-	-	-	(487)	(45)	(1)
Income before Extraordinary Item	917	(129)	(146)	226	1,232	614
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	-	-	-	(2,945)	(7,954)	(1,052)
Net change in fund balance	917	(129)	(146)	(2,719)	(6,722)	(438)
Fund balance, July 1, 2011	1,341	(267)	-	2,719	6,722	438
Fund balance, June 30, 2012 (deficit)	\$ 2,258	(396)	(146)	-	-	-

See accompanying independent auditors' report.

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

Year ended June 30, 2012

(in thousands)

	Debt Service Funds	Capital Projects Funds				Total Nonmajor Govern- mental Funds
	CFD 2005	Public Improve.	West Olive	Parking Authority	Youth Endowment	
Revenues :						
Taxes	\$ -	-	-	-	-	13,573
Use of money or property	-	195	68	725	(3)	2,027
Intergovernmental	-	2,116	-	-	-	15,483
Charges for services	-	105	-	-	-	17,038
Total revenues	-	2,416	68	725	(3)	48,121
Expenditures :						
General government :						
Administrative services	-	-	195	851	14	1,060
Public safety :						
Police	-	-	-	-	-	413
Environmental :						
Community development	-	3,345	-	-	-	35,317
Capital outlay :						
Street improvements	-	-	-	-	-	2,765
General capital improvements	-	-	-	-	-	6
Total capital outlay	-	-	-	-	-	2,771
Debt service :						
Principal retirement	320	-	-	-	-	2,770
Interest and finance charges	138	-	-	-	-	5,486
Total debt service	458	-	-	-	-	8,256
Total expenditures	458	3,345	195	851	14	47,817
Excess (deficiency) of revenues over expenditures	(458)	(929)	(127)	(126)	(17)	304
Other financing sources (uses) :						
Transfers in (note 7)	457	-	-	-	386	3,162
Transfers out (note 7)	-	-	-	-	-	(2,506)
Total other financing sources (uses)	457	-	-	-	386	656
Income before Extraordinary Item	(1)	(929)	(127)	(126)	369	960
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	(786)	-	(1,180)	-	-	(13,917)
Net change in fund balance	(787)	(929)	(1,307)	(126)	369	(12,957)
Fund balance, July 1, 2011	787	20,074	1,307	1,282	149	44,852
Fund balance, June 30, 2012	\$ -	19,145	-	1,156	518	31,895

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL TRANSPORTATION PROP A

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Other local taxes	\$ 1,465	1,465	1,744	279
Use of money and property	34	34	14	(20)
Intergovernmental	-	-	141	141
Charges for services	61	61	151	90
Total revenues	<u>1,560</u>	<u>1,560</u>	<u>2,050</u>	<u>490</u>
Expenditures :				
Community Development	3,047	3,047	2,014	1,033
Parks and recreation :				
Special community services	<u>36</u>	<u>36</u>	<u>-</u>	<u>36</u>
Total expenditures	<u>3,083</u>	<u>3,083</u>	<u>2,014</u>	<u>1,069</u>
Net change in fund balance	(1,523)	(1,523)	36	1,559
Fund balance, July 1, 2011	<u>1,365</u>	<u>1,365</u>	<u>1,365</u>	<u>-</u>
Fund balance (deficit), June 30, 2012	<u>\$ (158)</u>	<u>\$ (158)</u>	<u>\$ 1,401</u>	<u>\$ 1,559</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL TRANSPORTATION PROP C

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Other local taxes	\$ 1,165	1,165	1,316	151
Use of money and property	30	30	22	(8)
Intergovernmental	-	-	16	16
Charges for services	180	180	117	(63)
Total revenues	1,375	1,375	1,471	96
Expenditures :				
Community Development	3,125	3,148	1,636	1,512
Parks and recreation :				
Special community services	106	107	-	107
Total expenditures	3,231	3,255	1,636	1,619
Net change in fund balance	(1,856)	(1,880)	(165)	1,715
Fund balance, July 1, 2011	1,559	1,559	1,559	-
Fund balance (deficit), June 30, 2012	<u>\$ (297)</u>	<u>\$ (321)</u>	<u>\$ 1,394</u>	<u>\$ 1,715</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL AQMD

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ 2	2	2	-
Intergovernmental	116	116	131	15
Total revenues	118	118	133	15
Expenditures :				
Community development	165	165	121	44
Excess (deficiency) of revenues over expenditures	(47)	(47)	12	59
Fund balance, July 1, 2011	187	187	187	-
Fund balance, June 30, 2012	<u>\$ 140</u>	<u>140</u>	<u>199</u>	<u>59</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL HOME PROGRAM

Year ended June 30, 2012
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money and property	\$ 2	2	2	-
Intergovernmental	<u>788</u>	<u>788</u>	<u>47</u>	<u>(741)</u>
Total revenues	790	790	49	(741)
Expenditures :				
Community development	<u>788</u>	<u>788</u>	<u>48</u>	<u>740</u>
Excess (deficiency) of revenues over expenditures	2	2	1	(1)
Fund balance, July 1, 2011	<u>175</u>	<u>175</u>	<u>175</u>	<u>-</u>
Fund balance, June 30, 2012	<u><u>\$ 177</u></u>	<u><u>177</u></u>	<u><u>176</u></u>	<u><u>(1)</u></u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL COMMUNITY DEVELOPMENT BLOCK GRANTS

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	\$ 10	10	9	(1)
Intergovernmental	1,058	1,058	1,472	414
Charges for services	-	-	46	46
Total revenues	1,068	1,068	1,527	459
Expenditures :				
Community development	2,537	2,545	1,675	870
Excess (deficiency) of revenues over expenditures	(1,469)	(1,477)	(148)	1,329
Fund balance (deficit), July 1, 2011	946	946	946	-
Fund balance (deficit), June 30, 2012	<u>\$ (523)</u>	<u>(531)</u>	<u>798</u>	<u>1,329</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL HOUSING AUTHORITY

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	\$ 10	10	7	(3)
Intergovernmental	7,651	7,651	8,230	579
Total revenues	7,661	7,661	8,237	576
Expenditures :				
Community development	9,960	9,959	9,575	384
Total expenditures	9,960	9,959	9,575	384
Excess (deficiency) of revenues over expenditures and other uses	(2,299)	(2,298)	(1,338)	960
Fund balance, July 1, 2011	2,730	2,730	2,730	-
Fund balance, June 30, 2012	\$ 431	432	1,392	960

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL STATE GAS TAX

Year ended June 30, 2012
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	\$ 21	21	10	(11)
Intergovernmental	2,886	2,886	3,012	126
Total revenues	2,907	2,907	3,022	115
Expenditures :				
Capital outlay :				
Street improvements	971	1,075	260	815
Total expenditures	971	1,075	260	815
Excess (deficiency) of revenues over expenditures	1,936	1,832	2,762	930
Other financing uses :				
Transfers out	(1,971)	(1,971)	(1,971)	-
Net change in fund balance	(35)	(139)	791	930
Fund balance, July 1, 2011	1,074	1,074	1,074	-
Fund balance, June 30, 2012	\$ 1,039	935	1,865	930

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL STREET LIGHTING

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	\$ 66	66	62	(4)
Charges for services	144	144	17	(127)
Total revenues	210	210	79	(131)
Expenditures :				
Capital outlay :				
Street improvements	2,562	2,562	2,444	118
Deficiency of revenues over expenditures	(2,352)	(2,352)	(2,365)	(13)
Other financing sources :				
Transfers in	2,319	2,319	2,319	-
Net change in fund balance	(33)	(33)	(46)	(13)
Fund balance, July 1, 2011	617	617	617	-
Fund balance, June 30, 2012	<u>\$ 584</u>	<u>584</u>	<u>571</u>	<u>(13)</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL SUPPLEMENTAL LAW ENFORCEMENT SERVICES

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	\$ 4	4	4	-
Intergovernmental	206	206	277	71
Total revenues	210	210	281	71
Expenditures :				
Police	179	472	314	158
Net change in fund balance	31	(262)	(33)	229
Fund balance, July 1, 2011	260	260	260	-
Fund balance (deficit), June 30, 2012	<u>\$ 291</u>	<u>(2)</u>	<u>227</u>	<u>229</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL COMMUNITY SERVICES

Year ended June 30, 2012
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money and property	\$ 1	1	9	8
Expenditures :				
Community development	<u>14</u>	<u>14</u>	<u>12</u>	<u>(2)</u>
Total expenditures	<u>14</u>	<u>14</u>	<u>12</u>	<u>(2)</u>
Excess (deficiency) of revenues over expenditures	\$ (13)	(13)	(3)	10
Other financing uses :				
Transfers out	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other uses	\$ (15)	(15)	(5)	10
Fund balance, July 1, 2011	<u>23</u>	<u>23</u>	<u>23</u>	<u>-</u>
Fund balance, June 30, 2012	<u>\$ 8</u>	<u>8</u>	<u>18</u>	<u>10</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL MEASURE R

Year ended June 30, 2012
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ -	-	4	4
Other local taxes	-	-	980	980
Total revenues	-	-	984	984
Expenditures :				
Street Improvements	913	913	61	(974)
Community development	400	400	6	394
Net change in fund balance	(400)	(400)	917	1,317
Fund balance, July 1, 2011	1,341	1,341	1,341	-
Fund balance, June 30, 2012	\$ 941	941	2,258	1,317

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL MAGNOLIA POWER PLANT

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money or property	\$ -	-	14	14
Charges for Services	19,904	19,904	15,857	(4,047)
Total revenues	19,904	19,904	15,871	(4,033)
Expenditures :				
Community development	20,529	20,529	16,000	4,529
Total expenditures	20,529	20,529	16,000	4,529
Excess (deficiency) of revenues over expenditures	(625)	(625)	(129)	496
Fund balance (deficit), July 1, 2011	(267)	(267)	(267)	-
Fund balance (deficit), June 30, 2012	<u>\$ (892)</u>	<u>(892)</u>	<u>(396)</u>	<u>496</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL TIETON HYDRO

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Charges for Services	<u>\$ -</u>	<u>-</u>	<u>745</u>	<u>745</u>
Total revenues	<u>-</u>	<u>-</u>	<u>745</u>	<u>745</u>
Expenditures :				
Community development	<u>-</u>	<u>-</u>	<u>891</u>	<u>(891)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>891</u>	<u>(891)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(146)</u>	<u>(146)</u>
Fund balance, July 1, 2011	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, June 30, 2012 (deficit)	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>(146)</u></u>	<u><u>(146)</u></u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL CITY CENTRE DEBT SERVICE

Year ended June 30, 2012
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Property tax allocation	\$ 10,504	10,504	4,671	(5,833)
Use of money and property	39	39	845	806
Total revenues	<u>10,543</u>	<u>10,543</u>	<u>5,516</u>	<u>(5,027)</u>
Expenditures :				
Principal retirement	900	900	1,865	(965)
Interest and finance charges	<u>3,767</u>	<u>3,767</u>	<u>2,938</u>	<u>829</u>
Total expenditures	<u>4,667</u>	<u>4,667</u>	<u>4,803</u>	<u>(136)</u>
Excess of revenues over expenditures	<u>5,876</u>	<u>5,876</u>	<u>713</u>	<u>(5,163)</u>
Other financing sources (uses) :				
Transfers out	<u>(5,880)</u>	<u>(5,880)</u>	<u>(487)</u>	<u>5,393</u>
Total other financing uses	<u>(5,880)</u>	<u>(5,880)</u>	<u>(487)</u>	<u>5,393</u>
Income (Loss) before Extraordinary Item	(4)	(4)	226	230
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	<u>-</u>	<u>-</u>	<u>(2,945)</u>	<u>(2,945)</u>
Net change in fund balance	(4)	(4)	(2,719)	(2,715)
Fund balance, July 1, 2011	<u>2,719</u>	<u>2,719</u>	<u>2,719</u>	<u>-</u>
Fund balance, June 30, 2012	<u>\$ 2,715</u>	<u>2,715</u>	<u>-</u>	<u>(2,715)</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL WEST OLIVE DEBT SERVICE

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Property tax allocation	\$ 10,805	10,805	3,942	(6,863)
Use of money and property	23	23	4	(19)
Total revenues	10,828	10,828	3,946	(6,882)
Expenditures :				
Principal retirement	480	480	480	-
Interest and finance charges	5,373	5,373	2,189	3,184
Total expenditures	5,853	5,853	2,669	3,184
Excess of revenues over expenditures	4,975	4,975	1,277	(3,698)
Other financing uses :				
Transfers out	(4,979)	(4,979)	(45)	4,934
Total other financing sources (uses)	(4,979)	(4,979)	(45)	4,934
Income (Loss) before Extraordinary Item	(4)	(4)	1,232	1,236
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	-	-	(7,954)	(7,954)
Net change in fund balance	(4)	(4)	(6,722)	(6,718)
Fund balance, July 1, 2011	6,722	6,722	6,722	-
Fund balance, June 30, 2012	\$ 6,718	6,718	-	(6,718)

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL SOUTH SAN FERNANDO DEBT SERVICE

Year ended June 30, 2012
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Property tax allocation	\$ 2,897	2,897	920	(1,977)
Use of money and property	5	5	21	16
Total revenues	<u>2,902</u>	<u>2,902</u>	<u>941</u>	<u>(1,961)</u>
Expenditures :				
Principal retirement	105	105	105	-
Interest and finance charges	<u>717</u>	<u>717</u>	<u>221</u>	<u>496</u>
Total expenditures	<u>822</u>	<u>822</u>	<u>326</u>	<u>496</u>
Excess of revenues over expenditures	<u>2,080</u>	<u>2,080</u>	<u>615</u>	<u>(1,465)</u>
Other financing sources (uses) :				
Transfers out	<u>(2,081)</u>	<u>(2,081)</u>	<u>(1)</u>	<u>2,080</u>
Total other financing sources (uses)	<u>(2,081)</u>	<u>(2,081)</u>	<u>(1)</u>	<u>2,080</u>
Income (Loss) before Extraordinary Item	(1)	(1)	614	615
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	<u>-</u>	<u>-</u>	<u>(1,052)</u>	<u>(1,052)</u>
Net change in fund balance	(1)	(1)	(438)	(437)
Fund balance, July 1, 2011	<u>438</u>	<u>438</u>	<u>438</u>	<u>-</u>
Fund balance, June 30, 2012	<u>\$ 437</u>	<u>437</u>	<u>-</u>	<u>(437)</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL CFD 2005 DEBT SERVICE

Year ended June 30, 2012
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	\$ -	-	-	-
Expenditures :				
Principal retirement	320	320	320	-
Interest and finance charges	272	272	138	134
Total Expenditures	592	592	458	134
Deficiency of revenues over expenditures	(592)	(592)	(458)	134
Other financing sources :				
Transfers in	587	587	457	(130)
Total other financing sources (uses)	587	587	457	(130)
Income (Loss) before Extraordinary Item	(5)	(5)	(1)	4
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	-	-	(786)	(786)
Net change in fund balance	(5)	(5)	(787)	(782)
Fund balance, July 1, 2011	787	787	787	-
Fund balance, June 30, 2012	\$ 782	782	-	(782)

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL WEST OLIVE CAPITAL PROJECTS

Year ended June 30, 2012
(in thousands)

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	\$ 2	2	68	66
Charges for services	-	-	-	-
Total revenues	2	2	68	66
Expenditures :				
Administrative services	329	329	195	134
General capital improvements	-	-	-	-
Total expenditures	329	329	195	134
Deficiency of revenues over expenditures	(327)	(327)	(127)	200
Other financing sources (uses) :				
Transfers in	2,233	2,233	-	(2,233)
Transfers out	-	-	-	-
Total other financing sources (uses)	2,233	2,233	-	(2,233)
Income (Loss) before Extraordinary Item	1,906	1,906	(127)	(2,033)
Extraordinary gain/(loss) on dissolution of redevelopment agency (note 21)	-	-	(1,180)	(1,180)
Net change in fund balance	1,906	1,906	(1,307)	(3,213)
Fund balance, July 1, 2011	1,307	1,307	1,307	-
Fund balance, June 30, 2012	<u>\$ 3,213</u>	<u>3,213</u>	<u>-</u>	<u>(3,213)</u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL PARKING AUTHORITY CAPITAL PROJECTS

**Year ended June 30, 2012
(in thousands)**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Positive (Negative)
Revenues :				
Use of money and property	<u>\$ 726</u>	<u> 726</u>	<u> 725</u>	<u> (1)</u>
Total revenues	<u> 726</u>	<u> 726</u>	<u> 725</u>	<u> (1)</u>
Expenditures :				
Administrative services	<u> 1,797</u>	<u> 1,771</u>	<u> 851</u>	<u> 920</u>
Total expenditures	<u> 1,797</u>	<u> 1,771</u>	<u> 851</u>	<u> 920</u>
Net change in fund balance	<u> (1,071)</u>	<u> (1,045)</u>	<u> (126)</u>	<u> 919</u>
Fund balance, July 1, 2011	<u> 1,282</u>	<u> 1,282</u>	<u> 1,282</u>	<u> -</u>
Fund balance, June 30, 2012	<u><u> \$ 211</u></u>	<u><u> 237</u></u>	<u><u> 1,156</u></u>	<u><u> 919</u></u>

See accompanying independent auditors' report.

City Of Burbank

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL YOUTH ENDOWMENT SERVICES

Year ended June 30, 2012
(in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Positive (Negative)</u>
Revenues :				
Use of money and property	<u>\$ -</u>	<u>31</u>	<u>(3)</u>	<u>(34)</u>
Expenditures :				
Administrative services	13	14	14	-
General capital improvements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>13</u>	<u>14</u>	<u>14</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(13)</u>	<u>17</u>	<u>(17)</u>	<u>(34)</u>
Other financing sources :				
Transfers in	1,714	1,714	386	(1,328)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>1,714</u>	<u>1,714</u>	<u>386</u>	<u>(1,328)</u>
Net change in fund balance	1,701	1,731	369	(1,362)
Fund balance, July 1, 2011	<u>149</u>	<u>149</u>	<u>149</u>	<u>-</u>
Fund balance, June 30, 2012	<u><u>\$ 1,850</u></u>	<u><u>1,880</u></u>	<u><u>518</u></u>	<u><u>(1,362)</u></u>

See accompanying independent auditors' report.

NONMAJOR ENTERPRISE FUND

This section of the CAFR provides information on non-major enterprise funds.

Golf Fund – To account for the operations of the City's Golf Course.



City Of Burbank
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUND
June 30, 2012
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Assets :		
Current assets :		
Pooled cash and investments	\$ 281	281
Accounts receivable	39	39
Interest receivable	1	1
Prepaid expenses	10	10
	<u>331</u>	<u>331</u>
Total current assets		
	<u>331</u>	<u>331</u>
Capital assets :		
Land	11	11
Land improvements	1,036	1,036
Buildings and improvements	8,949	8,949
Machinery and equipment	391	391
Construction in progress	50	50
Less accumulated depreciation	<u>(2,748)</u>	<u>(2,748)</u>
Total capital assets, net of accumulated depreciation	<u>7,689</u>	<u>7,689</u>
Total assets	<u>8,020</u>	<u>8,020</u>
Liabilities :		
Accounts payable	69	69
Accrued expenses	<u>29</u>	<u>29</u>
Total current liabilities	<u>98</u>	<u>98</u>
Long-term liabilities (net of current portion) (note 7) :		
Advances Payable	<u>3,154</u>	<u>3,154</u>
Total long-term liabilities	<u>3,154</u>	<u>3,154</u>
Total liabilities	<u>3,252</u>	<u>3,252</u>
Net assets :		
Invested in capital assets	7,689	7,689
Unrestricted (deficit)	<u>(2,921)</u>	<u>(2,921)</u>
Total net assets	<u>\$ 4,768</u>	<u>4,768</u>

See accompanying independent auditors' report.

City Of Burbank

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
NONMAJOR ENTERPRISE FUND
Year ended June 30, 2012
(in thousands)**

	Golf Fund	Total Nonmajor Enterprise Fund
Operating revenues :		
Charges for services	2,005	2,005
Total operating revenues	2,005	2,005
Operating expenses :		
Operations and maintenance	1,977	1,977
Depreciation	570	570
Total operating expenses	2,547	2,547
Operating (loss)	(542)	(542)
Nonoperating income (expense) :		
Interest income	2	2
Interest expense	(29)	(29)
Other income - net	-	-
Total nonoperating income (expense)	(27)	(27)
Change in net assets	(569)	(569)
Net assets, July 1, 2011	5,337	5,337
Net assets, June 30, 2012	<u>\$ 4,768</u>	<u>4,768</u>

See accompanying independent auditors' report.

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUND
Year ended June 30, 2012
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Cash flows from operating activities :		
Cash received from customers	\$ 1,997	1,997
Cash paid to suppliers	(1,969)	(1,969)
Net cash provided by (used in) operating activities	<u>28</u>	<u>28</u>
Cash flows from noncapital financing activities :		
Paid to City of Burbank	-	-
Received from City of Burbank	29	29
Other income/expense	-	-
Net cash provided by (used in) noncapital financing activities	<u>29</u>	<u>29</u>
Cash flows from capital and related financing activities :		
Acquisition and construction of assets	(2)	(2)
Interest paid	(29)	(29)
Net cash used in capital and related financing activities	<u>(31)</u>	<u>(31)</u>
Cash flows from investing activities :		
Interest received	<u>2</u>	<u>2</u>
Net cash provided by investing activities	<u>2</u>	<u>2</u>
Net increase (decrease) in cash and cash equivalents	28	28
Cash and cash equivalents, July 1, 2011	<u>253</u>	<u>253</u>
Cash and cash equivalents, June 30, 2012	<u><u>\$ 281</u></u>	<u><u>281</u></u>

See accompanying independent auditors' report.

(Continued)

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS, (concluded)
NONMAJOR ENTERPRISE FUND
Year ended June 30, 2012
(in thousands)

	Golf Fund	Total Nonmajor Enterprise Fund
Reconciliation of operating income (loss) to net cash provided by operating activities :		
Operating income (loss)	\$ (542)	(542)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities :		
Depreciation	570	570
(Increase) in accounts receivable	(8)	(8)
Increase in accrued expense	8	8
Total adjustments	570	570
Net cash provided by (used in) operating activities	\$ 28	28
Noncash investing, capital, and financing activities :		
(Decrease) in fair value of investments	\$ (4)	(4)

See accompanying independent auditors' report.

INTERNAL SERVICE FUNDS

This section of the CAFR provides information on each individual internal service fund. Internal service funds are used by the City to centralize certain services and then allocate the cost of those services to the user departments on a cost reimbursement basis. User fund charges from internal service funds with capital assets typically consist of two components: a maintenance/service component and a capital replacement component. User fund charges from self-insurance internal service funds generally are based on claims experience of the user department.

Risk Management Self-Insurance Fund – To finance and account for the City's general liability claims program.

Worker's Compensation Self-Insurance Fund – To finance and account for the City's workers' compensation claims program.

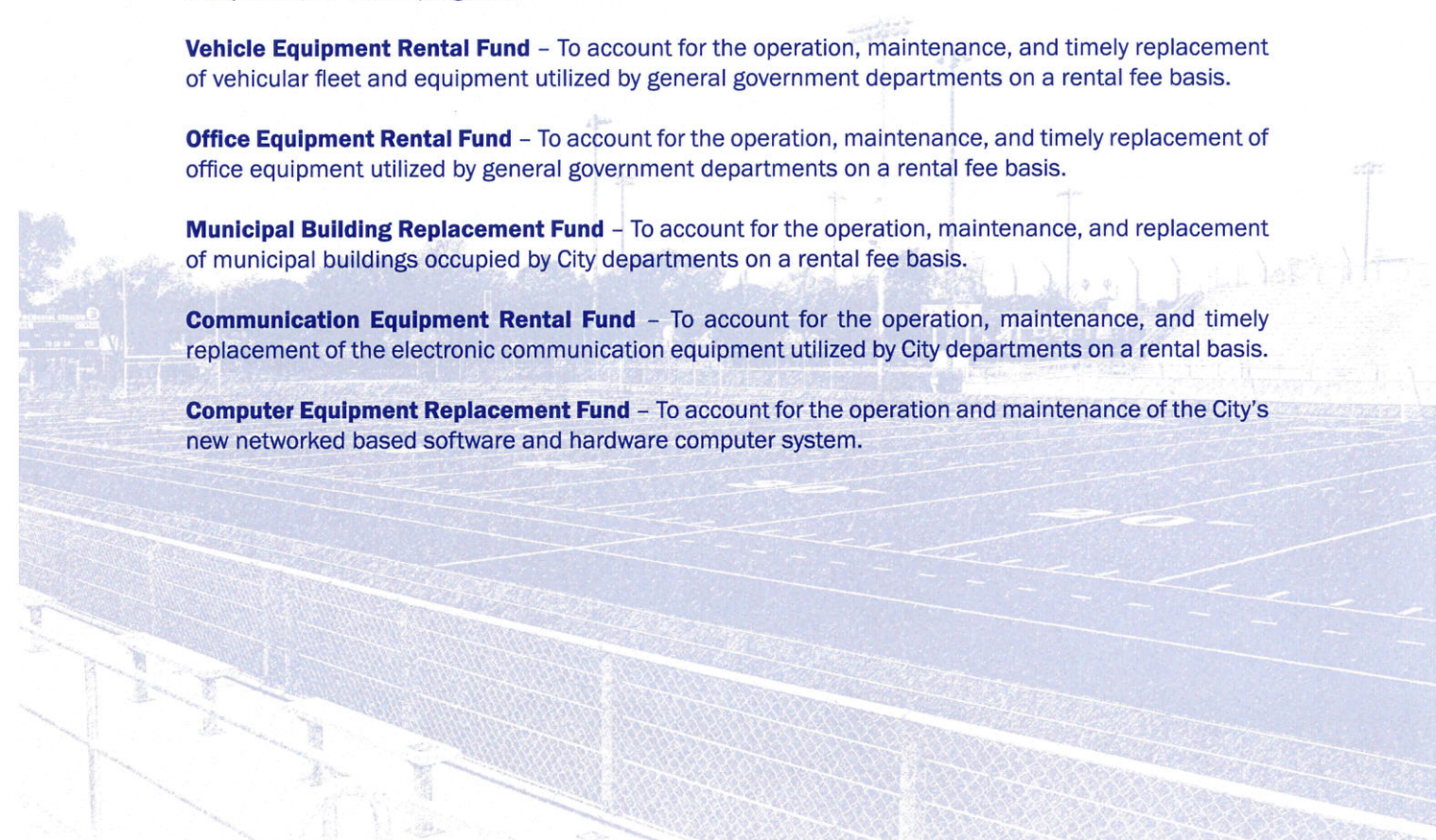
Vehicle Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of vehicular fleet and equipment utilized by general government departments on a rental fee basis.

Office Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of office equipment utilized by general government departments on a rental fee basis.

Municipal Building Replacement Fund – To account for the operation, maintenance, and replacement of municipal buildings occupied by City departments on a rental fee basis.

Communication Equipment Rental Fund – To account for the operation, maintenance, and timely replacement of the electronic communication equipment utilized by City departments on a rental basis.

Computer Equipment Replacement Fund – To account for the operation and maintenance of the City's new networked based software and hardware computer system.



City Of Burbank
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS

June 30, 2012
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Current assets :					
Pooled cash and investments	\$ 17,193	20,729	16,841	9,541	3,726
Accounts receivable	-	1	107	-	208
Interest receivable	55	66	54	31	12
Interfund receivable	-	1	1	-	-
Inventories	-	-	429	-	-
Prepaid expenses	3	-	22	-	-
Total current assets	<u>17,251</u>	<u>20,797</u>	<u>17,454</u>	<u>9,572</u>	<u>3,946</u>
Capital assets :					
Buildings and improvements	-	-	2,777	-	8,974
Accumulated depreciation	-	-	(526)	-	(2,306)
Machinery and equipment	-	-	32,018	3,917	2,605
Accumulated depreciation	-	-	(19,357)	(3,029)	(1,155)
Construction in progress	-	-	42	-	503
Total capital assets	<u>-</u>	<u>-</u>	<u>14,954</u>	<u>888</u>	<u>8,621</u>
Total assets	<u>\$ 17,251</u>	<u>20,797</u>	<u>32,408</u>	<u>10,460</u>	<u>12,567</u>
Liabilities :					
Current liabilities					
Accounts payable	\$ 25	13	609	29	219
Compensated absences	-	-	24	-	-
Deposits	-	-	-	-	83
Outstanding claims - self insurance	1,920	7,000	-	-	-
Total current liabilities	<u>1,945</u>	<u>7,013</u>	<u>633</u>	<u>29</u>	<u>302</u>
Long-term liabilities (net of current portion)					
Compensated absences	-	-	138	-	2
Outstanding claims - self insurance	2,262	21,570	-	-	-
Advances payable	-	-	-	-	-
Total long-term liabilities	<u>2,262</u>	<u>21,570</u>	<u>138</u>	<u>-</u>	<u>2</u>
Total liabilities	<u>4,207</u>	<u>28,583</u>	<u>771</u>	<u>29</u>	<u>304</u>
Net assets :					
Invested in capital assets	-	-	14,954	888	8,621
Unrestricted (deficit)	<u>13,044</u>	<u>(7,786)</u>	<u>16,683</u>	<u>9,543</u>	<u>3,642</u>
Total net assets	<u>\$ 13,044</u>	<u>(7,786)</u>	<u>31,637</u>	<u>10,431</u>	<u>12,263</u>

(Continued)

City Of Burbank
COMBINING STATEMENT OF NET ASSETS, (concluded)
INTERNAL SERVICE FUNDS

June 30, 2012
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Current assets :			
Cash and investments	\$ 4,517	6,357	78,904
Accounts receivable	7	6	329
Interest receivable	14	18	250
Interfund receivable	1	6	9
Inventories	128	-	557
Prepaid expenses	4	1	30
Total current assets	<u>4,671</u>	<u>6,388</u>	<u>80,079</u>
Capital assets :			
Buildings and improvements	1,447	-	13,198
Accumulated depreciation	(538)	-	(3,370)
Machinery and equipment	11,025	14,626	64,191
Accumulated depreciation	(7,795)	(10,651)	(41,987)
Construction in progress	109	52	706
Total capital assets	<u>4,248</u>	<u>4,027</u>	<u>32,738</u>
Total assets	<u>\$ 8,919</u>	<u>10,415</u>	<u>112,817</u>
Liabilities :			
Current liabilities			
Accounts payable	\$ 51	244	1,190
Compensated absences	18	-	42
Deposits	-	-	83
Outstanding claims - self insurance	-	-	8,920
Total current liabilities	<u>69</u>	<u>244</u>	<u>10,235</u>
Long-term liabilities (net of current portion)			
Compensated absences	108	-	248
Outstanding claims - self insurance	-	-	23,832
Advances payable	-	631	631
Total long-term liabilities	<u>108</u>	<u>631</u>	<u>24,711</u>
Total liabilities	<u>177</u>	<u>875</u>	<u>34,946</u>
Net Assets :			
Invested in capital assets	4,248	4,027	32,738
Unrestricted	4,494	5,513	45,133
Total net assets	<u>\$ 8,742</u>	<u>9,540</u>	<u>77,871</u>

See accompanying independent auditors' report.

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS INTERNAL SERVICE FUNDS

Year ended June 30, 2012
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Operating revenues :					
Charges for services	\$ 5,045	9,062	7,278	165	950
Total operating revenues	<u>5,045</u>	<u>9,062</u>	<u>7,278</u>	<u>165</u>	<u>950</u>
Operating expenses :					
Operations and maintenance	7,530	9,520	5,541	190	1,595
Depreciation	-	-	2,529	267	659
Total operating expenses	<u>7,530</u>	<u>9,520</u>	<u>8,070</u>	<u>457</u>	<u>2,254</u>
Operating income (loss)	<u>(2,485)</u>	<u>(458)</u>	<u>(792)</u>	<u>(292)</u>	<u>(1,304)</u>
Nonoperating income (expense) :					
Interest income	186	184	152	94	45
Other local taxes	-	-	-	-	1,531
Gain (loss) on disposal of fixed assets	-	-	75	(8)	(4)
Other income (expense)	<u>-</u>	<u>-</u>	<u>531</u>	<u>363</u>	<u>-</u>
Total nonoperating income (expense)	<u>186</u>	<u>184</u>	<u>758</u>	<u>449</u>	<u>1,572</u>
Income (loss) before transfers	<u>(2,299)</u>	<u>(274)</u>	<u>(34)</u>	<u>157</u>	<u>268</u>
Transfers in	410	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(198)</u>	<u>-</u>
Change in net assets	<u>(1,889)</u>	<u>(274)</u>	<u>(34)</u>	<u>(41)</u>	<u>268</u>
Net assets, July 1, 2011 (deficit)	<u>14,933</u>	<u>(7,512)</u>	<u>31,671</u>	<u>10,472</u>	<u>11,995</u>
Net assets, June 30, 2012 (deficit)	<u>\$ 13,044</u>	<u>(7,786)</u>	<u>31,637</u>	<u>10,431</u>	<u>12,263</u>

(Continued)

City Of Burbank

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS, (concluded) INTERNAL SERVICE FUNDS Year ended June 30, 2012 (in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Operating revenues :			
Charges for services	\$ 2,542	2,567	27,609
Total operating revenues	<u>2,542</u>	<u>2,567</u>	<u>27,609</u>
Operating expenses :			
Operations and maintenance	1,574	1,647	27,597
Depreciation	1,395	2,730	7,580
Total operating expenses	<u>2,969</u>	<u>4,377</u>	<u>35,177</u>
Operating income (loss)	<u>(427)</u>	<u>(1,810)</u>	<u>(7,568)</u>
Nonoperating income (expense) :			
Interest income	27	55	743
Other local taxes	-	-	1,531
Gain (loss) on disposal of fixed assets	-	(13)	50
Other income (expense)	<u>26</u>	<u>126</u>	<u>1,046</u>
Total nonoperating income (expense)	<u>53</u>	<u>168</u>	<u>3,370</u>
Income (loss) before transfers	(374)	(1,642)	(4,198)
Transfer in	-	47	457
Transfer out	<u>-</u>	<u>-</u>	<u>(198)</u>
Change in net assets	(374)	(1,595)	(3,939)
Net assets, July 1, 2011	<u>9,116</u>	<u>11,135</u>	<u>81,810</u>
Net assets, June 30, 2012	<u>\$ 8,742</u>	<u>9,540</u>	<u>77,871</u>

See accompanying independent auditors' report.

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2012
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Cash flows from operating activities :					
Cash received from customers	\$ 5,045	9,062	7,266	165	943
Cash paid to suppliers	(7,541)	(8,726)	(4,348)	(180)	(1,516)
Cash paid to employees	-	-	(1,374)	-	(57)
Net cash provided by (used in) operating activities	<u>(2,496)</u>	<u>336</u>	<u>1,544</u>	<u>(15)</u>	<u>(630)</u>
Cash flows from noncapital financing activities :					
Other income	-	-	531	325	-
Transfers from other funds	410	-	-	38	1,531
Transfers to other funds	-	-	-	(198)	-
Net cash provided by (used in) noncapital financing activities	<u>410</u>	<u>-</u>	<u>531</u>	<u>165</u>	<u>1,531</u>
Cash flows from capital and related financing activities :					
Proceeds from sales of capital assets	-	-	75	(8)	(4)
Acquisition and construction of assets	-	-	(2,205)	(535)	(1,474)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(2,130)</u>	<u>(543)</u>	<u>(1,478)</u>
Cash flows from investing activities :					
Interest received	<u>212</u>	<u>202</u>	<u>167</u>	<u>104</u>	<u>51</u>
Net cash provided by investing activities	<u>212</u>	<u>202</u>	<u>167</u>	<u>104</u>	<u>51</u>
Net increase (decrease) in cash and cash equivalents	(1,874)	538	112	(289)	(526)
Cash and cash equivalents, July 1, 2011	19,067	20,191	16,729	9,830	4,252
Cash and cash equivalents, June 30, 2012	<u>\$ 17,193</u>	<u>20,729</u>	<u>16,841</u>	<u>9,541</u>	<u>3,726</u>

See accompanying independent auditors' report.

(Continued)

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year ended June 30, 2012
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Cash flows from operating activities :			
Cash received from customers	\$ 2,542	2,562	27,585
Cash paid to suppliers	(725)	(2,294)	(25,330)
Cash paid to employees	(912)	-	(2,343)
Net cash provided by (used in) operating activities	<u>905</u>	<u>268</u>	<u>(88)</u>
Cash flows from noncapital financing activities :			
Proceeds from other funds	26	126	1,008
Transfers from other funds	-	47	2,026
Transfers to other funds	-	-	(198)
Net cash provided by (used in) noncapital financing activities	<u>26</u>	<u>173</u>	<u>2,836</u>
Cash flows from capital and related financing activities :			
Proceeds from sales of capital assets	-	(13)	50
Acquisition and construction of assets	(108)	(296)	(4,618)
Net cash used in capital and related financing activities	<u>(108)</u>	<u>(309)</u>	<u>(4,568)</u>
Cash flows from investing activities :			
Interest received	<u>27</u>	<u>61</u>	<u>824</u>
Net cash provided by investing activities	<u>27</u>	<u>61</u>	<u>824</u>
Net increase (decrease) in cash and cash equivalents	850	193	(996)
Cash and cash equivalents, July 1, 2011	<u>3,667</u>	<u>6,164</u>	<u>79,900</u>
Cash and cash equivalents, June 30, 2012	<u>\$ 4,517</u>	<u>6,357</u>	<u>78,904</u>

See accompanying independent auditors' report.

(Continued)

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS

Year ended June 30, 2012
(in thousands)

	Risk Mgmt. Self-Ins.	Workers Comp. Self-Ins.	Vehicle Equip. Rental	Office Equip. Rental	Muni. Bldg. Replace.
Reconciliation of operating income (loss) to net cash provided by operating activities :					
Operating loss	<u>\$ (2,485)</u>	<u>(458)</u>	<u>(792)</u>	<u>(292)</u>	<u>(1,304)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities :					
Depreciation	-	-	2,529	267	659
(Increase) decrease in accounts receivable	-	(2)	(12)	-	(2)
(Increase) decrease in inventories	-	-	(37)	-	-
(Increase) decrease in prepaid items	-	-	-	-	-
Increase (decrease) in outstanding claims payable	585	890	-	-	-
Increase (decrease) in accounts payable	(596)	(94)	(168)	10	22
Increase (decrease) in compensated absences	-	-	24	-	-
Increase (decrease) in deferred revenue	-	-	-	-	(5)
Total adjustments	<u>(11)</u>	<u>794</u>	<u>2,336</u>	<u>277</u>	<u>674</u>
Net cash provided by (used in) operating activities	<u><u>\$ (2,496)</u></u>	<u><u>336</u></u>	<u><u>1,544</u></u>	<u><u>(15)</u></u>	<u><u>(630)</u></u>
Noncash investing, capital, and financing activities :					
Increase (decrease) in fair value of investments	<u><u>\$ (6)</u></u>	<u><u>(2)</u></u>	<u><u>(30)</u></u>	<u><u>(7)</u></u>	<u><u>(1)</u></u>

See accompanying independent auditors' report.

City Of Burbank
COMBINING STATEMENT OF CASH FLOWS, (concluded)
INTERNAL SERVICE FUNDS

Year ended June 30, 2012
(in thousands)

	Commun. Equip. Rental	Comp. Equip. Replace.	Total
Reconciliation of operating income (loss) to net cash provided by operating activities :			
Operating loss	(427)	(1,810)	(7,568)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities :			
Depreciation	1,395	2,730	7,580
(Increase) decrease in accounts receivable	-	(5)	(21)
(Increase) decrease in inventories	(3)	-	(40)
(Increase) decrease in prepaid items	(4)	31	27
Increase (decrease) in outstanding claims payable	-	-	1,475
Increase (decrease) in accounts payable	(83)	(678)	(1,587)
Increase (decrease) in compensated absences	27	-	51
Increase (decrease) in deferred revenue	-	-	(5)
Total adjustments	1,332	2,078	7,480
Net cash provided by (used in) operating activities	905	268	(88)
Noncash investing, capital, and financing activities :			
Increase (decrease) in fair value of investments	28	4	(14)

See accompanying independent auditors' report.

STATISTICAL SECTION (UNAUDITED)

The statistical section provides mostly trend data and nonfinancial information useful in assessing the City's financial condition. Because of the special character of the data presented in the statistical section (i.e., data of prior years, nonfinancial data), the section does not fall within the scope of the independent audit.

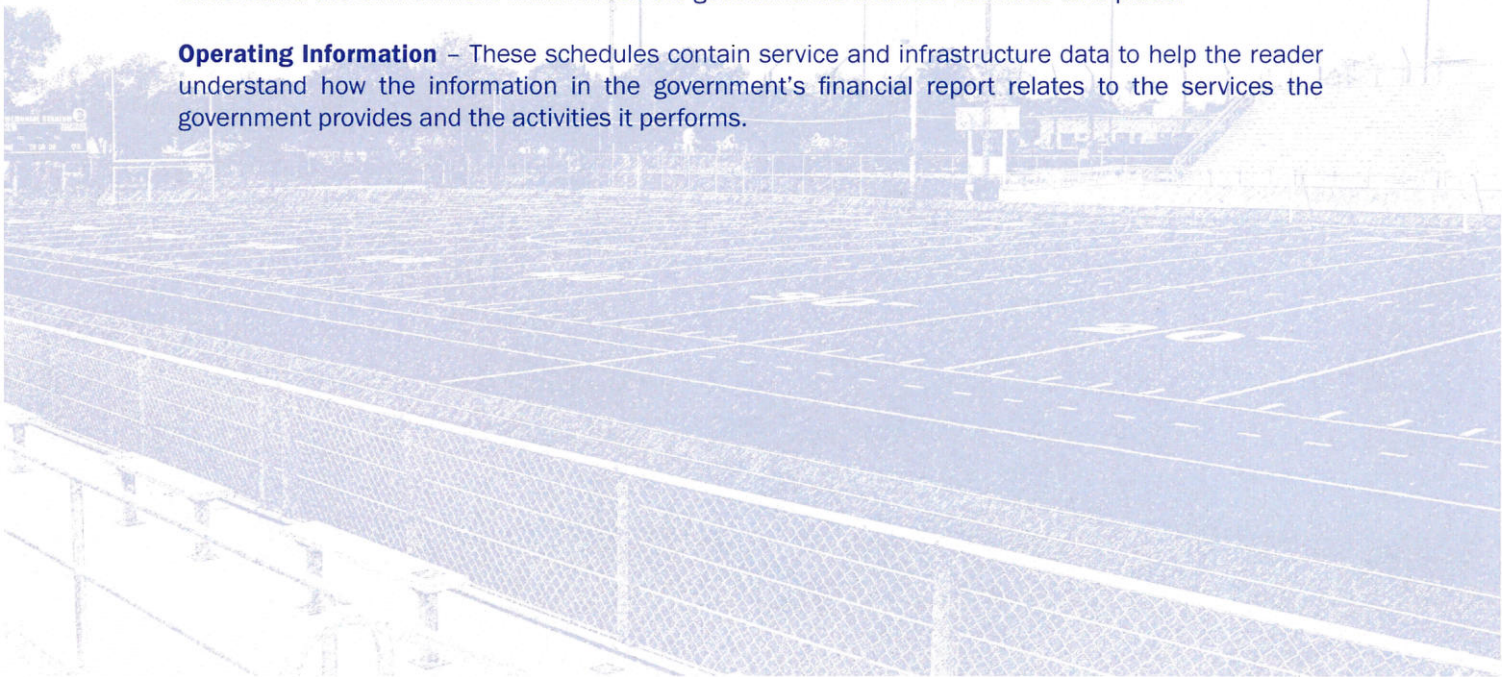
Financial Trends – These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity – These schedules contain information to help the reader assess the government's most significant local revenue source, electric utility fees.

Debt Capacity – These schedules present information to help the reader assess the affordability

Demographic – These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.



City Of Burbank
Table 1 - Net Assets by Component
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

Governmental Activities :

Fiscal Year	Invested in capital assets, net of related debt	Restricted	Unrestricted	Total
2002-03	593,916	113,460	91,251	798,627
2003-04	538,261	171,317	79,963	789,541
2004-05	588,803	74,140	176,562	839,505
2005-06	614,550	85,220	186,441	886,211
2006-07	652,200	95,958	187,313	935,471
2007-08	679,945	89,024	201,906	970,875
2008-09	688,056	113,038	195,574	996,668
2009-10	690,072	114,205	184,720	988,997
2010-11	561,931	179,919	210,335	952,185
2011-12	750,743	86,936	204,378	1,042,057

Business-type Activities :

Fiscal Year	Invested in capital assets, net of related debt	Restricted	Unrestricted	Total
2002-03	118,841	-	112,529	231,370
2003-04	147,388	-	117,454	264,842
2004-05	179,582	-	112,505	292,087
2005-06	191,069	-	118,241	309,310
2006-07	206,962	-	126,564	333,526
2007-08	247,383	-	101,024	348,407
2008-09	272,665	-	93,546	366,211
2009-10	260,770	-	121,593	382,363
2010-11	247,901	12,413	133,194	393,508
2011-12	278,893	-	130,394	409,287

Primary Government :

Fiscal Year	Invested in capital assets, net of related debt	Restricted	Unrestricted	Total
2002-03	712,757	113,460	203,780	1,029,997
2003-04	685,649	171,317	197,417	1,054,383
2004-05	768,385	74,140	289,067	1,131,592
2005-06	805,619	85,220	304,682	1,195,521
2006-07	859,162	95,958	313,877	1,268,997
2007-08	927,328	89,024	302,930	1,319,282
2008-09	960,721	113,038	289,120	1,362,879
2009-10	950,842	114,205	306,313	1,371,360
2010-11	809,832	192,332	343,529	1,345,693
2011-12	1,029,636	86,936	334,772	1,451,344

* This schedule, recommended as part of implementation of GASB 44, is intended to cover 10 years worth of data.

SOURCE : City Financial Services Department

City Of Burbank

Table 2 - Changes in Net Assets
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2008	2009	2010	2011	2012
Expenses					
Governmental activities :					
General government	\$ 6,535	7,731	-	2,649	7,437
Police	43,759	46,718	45,118	43,161	48,453
Fire	33,262	34,426	32,169	31,648	31,543
Public works	25,977	27,365	47,947	55,699	39,573
Community development	37,322	25,917	46,785	70,264	68,778
Parks & recreation	20,945	21,983	30,113	20,363	19,803
Library	6,764	6,968	7,370	7,014	6,961
Extraordinary Gain (Loss)	-	-	-	-	37,354
Interest on long-term debt	19,673	28,087	21,781	21,970	13,936
Total governmental activities expenses	194,237	199,195	231,283	252,768	273,838
Business-type activities :					
Water reclamation & sewer	13,680	13,639	12,714	13,577	13,408
Golf course	19,762	21,208	20,290	2,669	2,576
Electric utility	370,144	270,341	218,051	214,840	186,279
Water utility	20,657	19,831	19,777	22,453	24,126
Refuse collection & disposal	12,461	12,768	13,796	14,117	14,810
Total business-type activities expenses	436,704	337,787	284,628	267,656	241,199
Total primary government expenses	630,941	536,982	515,911	520,424	515,037
Program Revenues					
Governmental activities :					
Charges for services					
General government	\$ 917	1,369	850	101	393
Police	4,364	4,483	4,207	3,956	3,763
Fire	3,111	3,208	3,170	3,522	3,174
Public works	2,427	2,142	1,728	1,426	1,361
Community development	10,990	9,152	7,833	16,828	11,467
Parks and recreation	3,606	3,774	3,725	3,918	4,188
Library	189	193	183	184	184
Operating grants and contributions	19,859	19,046	18,404	19,238	17,869
Total governmental activities program revenues	45,463	43,367	40,100	49,173	42,399

* This schedule, recommended as part of implementation of GASB 44, is intended to cover 10 years worth of data.

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Assets
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2008	2009	2010	2011	2012
Business-type activities :					
Charges for services :					
Water reclamation & sewer	\$ 13,819	14,171	14,459	14,941	15,915
Golf course	19,316	20,307	19,303	1,769	2,005
Electric utility	382,167	287,589	235,020	225,901	202,216
Water utility	23,224	21,372	22,118	23,281	26,682
Refuse collection & disposal	11,827	13,142	14,332	15,016	15,474
Operating grants and contributions	191	475	530	20	4,502
Capital grants and contributions	2,635	2,749	2,659	4,120	1,705
Total business-type activities					
program revenues	453,179	359,805	308,421	285,048	268,499
Total primary government					
program revenues	498,642	403,172	348,521	334,221	310,898
Net (expense) / revenue					
Governmental activities	(148,774)	(155,828)	(191,183)	(203,595)	(231,439)
Business-type activities	16,475	22,018	23,793	17,392	27,300
Total primary government net expense	(132,299)	(133,810)	(167,390)	(186,203)	(204,139)

* This schedule, recommended as part of implementation of GASB 44, is intended to cover 10 years worth of data.

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Assets
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2008	2009	2010	2011	2012
General Revenues and Other					
Changes in Net Assets					
Governmental activities :					
Property tax	\$ 69,483	80,079	79,803	66,240	46,328
Sales tax	33,419	30,249	24,948	29,907	31,352
Utility users tax	20,310	20,236	19,908	18,524	19,784
Motor-vehicle in-lieu tax	8,419	8,596	4,212	4,559	4,631
Franchise tax	5,130	5,283	8,760	8,938	8,436
Transient occupancy tax	5,981	5,941	5,273	5,686	5,943
Transient parking tax	3,651	2,978	2,759	2,886	2,821
Unrestricted investment earnings	19,627	10,995	17,631	14,315	9,565
Other	3,522	7,654	7,412	22,389	29,789
Extraordinary gain on dissolution of redemption agency	-	-	-	-	116,599
Transfers	10,728	11,103	11,667	11,354	11,651
Total governmental activities	180,270	183,114	182,373	184,798	286,899
Business-type activities :					
Unrestricted investment earnings	8,210	3,119	3,771	3,327	2,358
Other	924	201	255	1,706	(2,228)
Transfers	(10,728)	(11,103)	(11,667)	(11,354)	(11,651)
Total business-type activities	(1,594)	(7,783)	(7,641)	(6,321)	(11,521)
Total primary government	178,676	175,331	174,732	178,477	275,378
Change in Net Assets					
Governmental activities	31,496	27,286	(8,810)	(18,797)	89,872
Business-type activities	14,881	14,235	16,152	11,071	15,779
Total primary government	46,377	41,521	7,342	(7,726)	105,651

* This schedule, recommended as part of implementation of GASB 44, is intended to cover 10 years worth of data.

SOURCE : City Financial Services Department

City Of Burbank

Table 2 - Changes in Net Assets
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2003	2004	2005	2006	2,007
Expenses					
Governmental activities :					
General government	\$ 6,782	5,082	6,091	8,097	5,254
Police	32,422	33,102	34,363	38,925	41,345
Fire	21,652	25,306	26,129	26,993	29,955
Public works	23,041	33,354	15,136	22,048	26,163
Community development	16,873	32,125	25,746	22,796	26,953
Parks & recreation	16,025	18,616	17,040	19,583	19,533
Library	4,882	5,337	5,635	6,200	6,256
Interest on long-term debt	14,928	16,357	20,789	21,997	19,027
Total governmental activities expenses	136,605	169,279	150,929	166,639	174,486
Business-type activities :					
Water reclamation & sewer	13,155	13,174	13,154	12,249	14,573
Golf course	1,453	1,500	1,627	13,676	17,814
Electric utility	195,757	242,208	224,091	328,832	347,122
Water utility	14,034	15,060	15,332	15,708	17,064
Refuse collection & disposal	10,019	11,356	10,733	11,282	12,452
Total business-type activities expenses	234,418	283,298	264,937	381,747	409,025
Total primary government expenses	\$ 371,023	452,577	415,866	548,386	583,511
Program Revenues					
Governmental activities :					
Charges for services					
General government	\$ 97	20	219	179	737
Police	3,632	3,769	4,087	4,717	4,771
Fire	2,286	2,170	2,348	2,586	2,915
Public works	2,230	1,785	1,800	2,468	2,664
Community development	12,079	10,596	11,094	13,684	15,436
Parks and recreation	2,986	3,031	2,857	3,335	3,434
Library	127	185	202	205	190
Operating grants and contributions	13,850	13,985	17,833	23,306	20,238
Capital grants and contributions	281	178	672	-	-
Total governmental activities program revenues	37,568	35,719	41,112	50,480	50,385

* This schedule, recommended as part of implementation of GASB 44, is intended to cover 10 years worth of data.

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Assets
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2003	2004	2005	2006	2007
Business-type activities :					
Charges for services :					
Water reclamation & sewer	\$ 10,128	11,316	11,927	12,861	13,406
Golf course	2,010	1,962	1,815	13,591	17,821
Electric utility	215,582	271,175	251,835	345,158	368,760
Water utility	16,946	17,261	17,239	18,936	19,618
Refuse collection & disposal	9,714	9,858	9,899	10,469	11,075
Capital grants and contributions	5,104	5,264	3,971	2,414	3,181
Total business-type activities program revenues	259,484	316,836	296,686	403,429	433,861
Total primary government program revenues	\$ 297,052	352,555	337,798	453,909	484,246
Net (expense) / revenue					
Governmental activities	\$ (99,037)	(133,560)	(109,817)	(116,159)	(124,101)
Business-type activities	25,066	33,538	31,749	21,682	24,836
Total primary government net expense	\$ (73,971)	(100,022)	(78,068)	(94,477)	(99,265)

* This schedule, recommended as part of implementation of GASB 44, is intended to cover 10 years worth of data.

SOURCE : City Financial Services Department

(continued)

City Of Burbank

Table 2 - Changes in Net Assets
Last ten fiscal years (accrual basis) *
(in thousands)
(Unaudited)

	Fiscal year ended June 30,				
	2003	2004	2005	2006	2007
General Revenues and Other					
Changes in Net Assets					
Governmental activities :					
Property tax	\$ 45,108	49,122	51,301	55,947	65,559
Sales tax	23,027	26,222	19,883	29,509	31,904
Utility users tax	15,987	17,323	17,862	18,787	19,505
Motor-vehicle in-lieu tax	5,934	6,501	6,279	7,610	7,801
Franchise tax	1,780	2,276	3,776	4,798	5,073
Transient occupancy tax	3,417	4,238	4,606	5,632	5,691
Transient parking tax	1,827	1,765	2,515	3,238	3,526
Unrestricted investment earnings	4,873	1,566	3,788	3,966	21,283
Other	7,359	11,920	19,395	8,217	2,300
Transfers	3,584	3,541	9,363	9,870	10,721
Total governmental activities	112,896	124,474	138,768	147,574	173,363
Business-type activities :					
Unrestricted investment earnings	4,092	1,619	3,919	4,691	8,479
Other	274	1,856	940	720	1,622
Transfers	(3,584)	(3,541)	(9,363)	(9,870)	(10,721)
Total business-type activities	782	(66)	(4,504)	(4,459)	(620)
Total primary government	113,678	124,408	134,264	172,743	\$ 172,743
Change in Net Assets					
Governmental activities	\$ 13,859	(9,086)	28,951	31,415	49,262
Business-type activities	25,848	33,472	27,245	17,223	24,216
Total primary government	\$ 39,707	24,386	56,196	48,638	73,478

* This schedule, recommended as part of implementation of GASB 44, is intended to cover 10 years worth of data.

SOURCE : City Financial Services Department

City Of Burbank

Table 3 - Fund Balances of Governmental Funds
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

Fiscal Year	General Fund Reserved	General Fund Unreserved	Total General Fund	All Other Governmental Reserved	Special Revenue Unreserved	Capital Projects Unreserved	Total All Other Governmental Funds
2002-03	79,958	39,384	119,342	121,217	29,463	(3,267)	147,413
2003-04	56,978	49,527	106,505	130,993	21,744	42,761	195,498
2004-05	56,931	53,852	110,783	113,122	20,653	64,747	198,522
2005-06	54,190	57,681	111,871	133,387	25,034	59,517	217,938
2006-07	53,469	68,066	121,535	177,775	30,208	46,172	254,155
2007-08	52,837	66,847	119,684	177,011	30,417	38,315	245,743
2008-09	55,422	59,885	115,307	175,959	29,891	60,331	266,181
2009-10	64,841	43,679	108,520	182,572	28,896	59,907	271,375

GASB 54 Fund Balance

	General Fund Nonspendable	General Fund Restricted	General Fund Committed	General Fund Assigned	General Fund Unassigned	Total General Fund
2010-11	43,503	149	-	10,384	46,871	100,907
2011-12	30,822	107	-	8,538	47,098	86,565

	All Other Governmental Nonspendable	All Other Governmental Restricted	All Other Governmental Committed	All Other Governmental Assigned	All Other Governmental Unassigned	Total All Other Governmental Funds
2010-11	1,834	207,305	20,397	65,695	(36,396)	258,835
2011-12	352	138,120	19,364	54,744	(542)	212,038

SOURCE : City Financial Services Department

City Of Burbank

Table 4 - Changes in Fund Balances of Governmental Funds
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues					
Sales tax	\$ 33,419	30,249	24,948	29,789	31,352
Property tax	69,483	80,079	79,803	76,308	46,328
Utility Users tax	20,310	20,236	19,908	18,524	19,784
Other	14,124	14,102	13,279	12,230	24,786
Total Taxes	<u>137,336</u>	<u>144,666</u>	<u>137,938</u>	<u>136,851</u>	<u>122,250</u>
Special Assessments	-	-	-	-	-
Licenses & Permits	4,646	4,115	3,680	3,798	4,228
Fines, forfeitures, and penalties	2,617	2,974	2,597	2,340	2,590
Use of money or property	18,220	12,476	16,281	11,232	11,449
Intergovernmental	29,418	28,298	29,056	29,604	26,056
Charges for services	<u>28,356</u>	<u>34,555</u>	<u>29,032</u>	<u>46,766</u>	<u>45,439</u>
Total revenues	<u>220,593</u>	<u>227,084</u>	<u>218,584</u>	<u>230,591</u>	<u>212,012</u>
Expenditures					
General government	33,797	28,172	48,736	40,537	32,607
Public Safety	73,740	76,616	75,205	72,832	77,111
Environmental	35,999	37,573	37,856	60,374	59,325
Culture and recreation	27,349	29,391	30,527	25,213	25,032
Capital outlay	43,602	19,702	18,330	22,552	23,895
Debt service :					
Principal	8,440	8,330	9,115	9,590	15,280
Other	-	-	-	-	-
Interest	<u>19,625</u>	<u>23,035</u>	<u>21,841</u>	<u>22,007</u>	<u>13,939</u>
Total expenditures	<u>242,552</u>	<u>222,819</u>	<u>241,610</u>	<u>253,105</u>	<u>247,189</u>
Excess of revenues over (under) expenditures	<u>(21,959)</u>	<u>4,265</u>	<u>(23,026)</u>	<u>(22,514)</u>	<u>(35,177)</u>
Other financing sources (uses)					
Transfers in	69,514	48,877	53,290	69,253	24,462
Transfers out	(60,369)	(35,729)	(41,276)	(57,399)	(13,070)
Bond proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>9,145</u>	<u>13,148</u>	<u>12,014</u>	<u>11,854</u>	<u>11,392</u>
Extraordinary gain/(loss) on dissolution of Redevelopment agency	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,354)</u>
Net change in fund balances	<u>(12,814)</u>	<u>17,413</u>	<u>(11,012)</u>	<u>(10,660)</u>	<u>(61,139)</u>
Debt service as a percentage of noncapital expenditures	14.1%	15.4%	13.9%	13.7%	13.1%

SOURCE : City Financial Services Department

City Of Burbank

Table 4 - Changes in Fund Balances of Governmental Funds
Last ten fiscal years (modified accrual basis)
(in thousands)
(Unaudited)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues					
Sales tax	\$ 23,027	26,222	19,883	29,509	31,904
Property tax	45,108	49,122	51,301	55,947	65,559
Utility Users tax	15,987	17,323	17,862	18,787	19,505
Other	10,188	10,477	18,216	14,266	13,614
Total Taxes	<u>94,310</u>	<u>103,144</u>	<u>107,262</u>	<u>118,509</u>	<u>130,582</u>
Special Assessments	243	237	236	236	234
Licenses & Permits	3,099	3,690	4,446	5,738	4,802
Fines, forfeitures, and penalties	2,768	2,849	2,995	3,287	3,222
Use of money or property	8,630	5,983	11,879	13,717	18,923
Intergovernmental	19,883	19,213	25,438	31,759	27,467
Charges for services	<u>24,267</u>	<u>26,221</u>	<u>26,687</u>	<u>32,962</u>	<u>33,844</u>
Total revenues	<u>153,200</u>	<u>161,337</u>	<u>178,943</u>	<u>206,208</u>	<u>219,074</u>
Expenditures					
General government	25,412	23,549	25,571	28,900	27,949
Public Safety	51,787	56,477	57,734	63,295	68,758
Environmental	29,375	34,422	35,157	39,359	35,099
Culture and recreation	21,355	22,282	21,331	23,602	25,172
Capital outlay	17,944	20,172	8,677	15,308	23,863
Debt service :					
Principal	2,398	8,146	6,945	12,535	8,456
Other	1,464	3,337	-	28	592
Interest	<u>14,565</u>	<u>16,318</u>	<u>20,520</u>	<u>22,019</u>	<u>19,163</u>
Total expenditures	<u>164,300</u>	<u>184,703</u>	<u>175,935</u>	<u>205,046</u>	<u>209,052</u>
Excess of revenues over (under) expenditures	<u>(11,100)</u>	<u>(23,366)</u>	<u>3,008</u>	<u>1,162</u>	<u>10,022</u>
Other financing sources (uses)					
Transfers in	60,646	99,382	33,314	32,830	77,806
Transfers out	(56,932)	(96,751)	(25,086)	(24,748)	(69,850)
Advances from City	-	-	-	-	-
Payment of unfunded actuarial liability	-	(24,947)	-	-	-
Bond proceeds	<u>111,730</u>	<u>80,930</u>	<u>-</u>	<u>6,155</u>	<u>52,325</u>
Total other financing sources (uses)	<u>115,444</u>	<u>58,614</u>	<u>8,228</u>	<u>14,237</u>	<u>60,281</u>
Net change in fund balances	<u>104,344</u>	<u>35,248</u>	<u>11,236</u>	<u>15,399</u>	<u>70,303</u>
Debt service as a percentage of noncapital expenditures	12.6%	16.9%	16.4%	18.2%	15.2%

SOURCE : City Financial Services Department

City Of Burbank
Table 5 - Electricity Sold by Type of Customer
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Residential	Commercial	Large Commercial	Industrial	Street Lights/ Traffic	Wholesale	Other
2002-03	30,740	35,078		59,592	1,008	85,680	3,484
2003-04	34,598	49,091		52,072	1,028	131,044	3,342
2004-05	33,997	69,635		31,506	1,166	110,037	5,494
2005-06	35,113	46,259		60,966	1,149	195,512	6,159
2006-07	36,157	51,897		63,163	2,699	207,259	7,585
2007-08	37,755	79,376		35,142	3,238	220,177	6,479
2008-09	37,726	48,556		68,965	2,791	120,716	3,966
2009-10	37,147	40,797	68,984	-	2,605	75,946	4,641
2010-11	37,326	42,948	68,851	-	2,294	59,200	8,640
2011-12	38,096	43,717	69,331	-	2,325	35,484	8,144

Source : Burbank Water and Power

City Of Burbank

**Table 6 - Electricity Rates
Last ten fiscal years
(Unaudited)**

Fiscal Year	Residential	Commercial	Large Commercial
2002-03	0.12800	0.11617	0.10082
2003-04	0.12868	0.12243	0.10259
2004-05	0.12870	0.12567	0.10907
2005-06	0.12908	0.12106	0.10507
2006-07	0.12782	0.12748	0.10469
2007-08	0.13068	0.12768	0.11255
2008-09	0.13267	0.13279	0.11527
2009-10	0.13506	0.13482	0.11806
2010-11	0.14097	0.14224	0.12516
2011-12	0.14401	0.14319	0.12616

Source : Burbank Water and Power

City Of Burbank
Table 7 - Largest Electrical Customers
Current Year and Ten Years Ago
(in thousands)
(Unaudited)

Taxpayer	2012		2007 (1)	
	Electricity charges	Percent of electric retail revenues	Electricity charges	Percent of electric retail revenues
Customer 1	\$ 9,133	5.5%	\$ 10,235	6.7%
Customer 2	4,243	2.6%	3,232	2.1%
Customer 3	4,198	2.5%	2,524	1.6%
Customer 4	4,569	2.8%	4,818	3.1%
Customer 5	2,541	1.5%	3,094	2.0%
Customer 6	2,074	1.3%	-	0.0%
Customer 7	2,020	1.2%	2,247	1.5%
Customer 8	1,635	1.0%	-	0.0%
Customer 9	1,651	1.0%	-	0.0%
Customer 10	1,673	1.0%	-	0.0%
Subtotal	33,737	20.4%	26,150	17.0%
Other users	131,479	79.6%	342,610	83.0%
Total for entire City	\$ 165,216	100.0%	368,760	100.0%

(1) Earliest available data is 2007.

Source : Burbank Water and Power

City Of Burbank

Table 8 - Ratios of Outstanding Debt by Type
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Fiduciary Activities		Governmental	Total Gov't'l & Fiduciary Activities
	Community Facilities District Bonds	Pension Obligation Bonds	Activities Tax Allocation Bonds	
2002-03	795	-	192,385	193,180
2003-04	620	25,120	221,804	247,544
2004-05	430	25,120	215,474	241,024
2005-06	6,380	19,100	208,953	234,433
2006-07	6,155	18,840	229,503	254,498
2007-08	6,155	18,500	221,747	246,402
2008-09	6,155	18,070	214,257	238,482
2009-10	5,860	17,545	206,579	229,984
2010-11	5,555	16,915	198,581	221,051
2011-12	5,235	16,175	204,311	225,721

Source : Financial Services Department

City Of Burbank

Table 8 - Ratios of Outstanding Debt by Type
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Business-Type Activities		Total Bus. Type Activities	Total (3) Primary Govt.	Pct (1) Personal Income	Per Capita (1)
	Revenue Bonds	Loans				
2002-03	158,626	2,014	160,640	321,280	9.97%	3.07
2003-04	149,357	1,857	151,214	302,428	9.12%	2.87
2004-05	144,839	1,696	146,535	387,559	10.94%	3.63
2005-06	133,856	1,531	135,387	369,820	9.37%	3.46
2006-07	122,613	1,361	123,974	378,472	10.19%	3.51
2007-08	111,902	1,186	113,088	359,490	8.91%	3.33
2008-09	100,808	1,007	101,815	340,297	7.91%	3.15
2009-10	137,762	823	138,585	368,569	8.04%	3.40
2010-11	166,075	634	166,709	387,760	9.10%	3.72
2011-12	160,487	961	161,448	387,169	8.87%	3.71

(1) This ratio is calculated using personal income for two prior calendar years for the prior calendar year.

(2) This ratio is calculated using population for the prior calendar year.

(3) Includes debt in Fidiuciary Trust Fund.

Source : Financial Services Department

City Of Burbank

Table 9 - Ratio of General Bonded Debt Outstanding
Last ten fiscal years
(in thousands)
(Unaudited)

Outstanding General Bonded Debt					
Fiscal Year	Tax Allocation Bonds	Pension Obligation Bonds	Total General Debt	Pct. of Assessed Value (1)	Per Capita (2)
2002-03	192,385	-	192,385	1.66%	1.84
2003-04	221,804	25,120	246,924	2.02%	2.34
2004-05	215,474	25,120	240,594	1.85%	2.25
2005-06	208,953	19,100	228,053	1.62%	2.13
2006-07	229,503	18,830	248,333	1.60%	2.30
2007-08	221,747	18,500	240,247	1.42%	2.22
2008-09	214,257	18,070	232,327	1.28%	2.15
2009-10	206,579	17,545	224,124	1.23%	2.07
2010-11	198,581	16,915	215,496	1.18%	2.07
2011-12	(3) 204,311	16,175	220,486	1.21%	2.11

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

(2) This ratio is calculated using the prior year's population.

(3) Tax allocation bonded debt of \$144,901 is reflected in the Fiduciary Trust Fund balance sheet.

Source : Financial Services Department

City Of Burbank

Table 10 - Schedule of Direct and Overlapping Debt

June 30, 2012

(in thousands)

(Unaudited)

City Assessed Valuation	\$ 18,155,915
Redevelopment Agency Incremental Valuation	5,449,044
Total Assessed Valuation	<u>\$ 23,604,959</u>

	<u>Percentage Applicable (1)</u>	<u>Outstanding Debt 11/12</u>	<u>Estimated Share of Overlapping Debt</u>
Burbank Unified School District	100.000%	60,082	60,082
Los Angeles County	1.560%	94,032	1,467
Los Angeles Community College District	3.120%	3,501,109	109,235
Total overlapping debt		<u>3,655,223</u>	<u>170,784</u>
City direct debt :			
Community Facilities District (2)		5,235	
Burbank Redevelopment Tax Allocation (2)		204,311	
Pension obligation bonds		<u>16,175</u>	
Total City direct debt			<u>225,721</u>
Total direct and overlapping debt			<u>\$ 396,505</u>

Note : (1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within City boundaries and dividing it by each unit's total taxable assessed value.

(2) Community Facilities District and Burbank Redevelopment Tax Allocation debt is reflected in the Fiduciary Fund Balance Sheet.

Sources : City Financial Services Department
HDL Coren & Cone

City Of Burbank

Table 11 - Legal Debt Margin Information
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Debt Limit	Total Net Debt	Legal Debt Margin	Pct (1)
2002-03	1,740,010	180,103	1,559,907	10.35%
2003-04	1,833,605	206,401	1,627,204	11.26%
2004-05	1,946,507	199,743	1,746,764	10.26%
2005-06	2,118,116	198,543	1,919,573	9.37%
2006-07	2,333,694	218,975	2,114,719	9.38%
2007-08	2,533,836	224,041	2,309,795	8.84%
2008-09	2,719,939	214,817	2,505,122	7.90%
2009-10	2,511,195	208,744	2,302,451	8.31%
2010-11	2,743,065	190,789	2,552,276	6.96%
2011-12	2,723,655	196,199	2,527,456	7.20%

(1) Full title : Total net debt applicable to the limit as a percentage of the debt limit

Net assessed value	<u>\$ 18,157,701</u>
Debt limit - 15% of assessed value	2,723,655
Amount of debt applicable to debt limit :	
Community facilities district bonds (1)	5,235
Redevelopment debt - tax allocation bonds (1)	<u>145,786</u>
Total	<u>151,021</u>
Less :	
Reserves in Debt Service funds available for payment of principal :	
Redevelopment debt (1)	<u>13,347</u>
Total	<u>13,347</u>
Total amount of debt applicable to debt limit	<u>137,674</u>
Legal debt margin	<u><u>\$ 2,585,981</u></u>

(1) Reflected in the Fiduciary Trust Fund statements.

Source : City Financial Services Department

City Of Burbank

Table 12 - Pledged Revenue Coverage

Last ten fiscal years

(in thousands)

(Unaudited)

Fiscal Year	Gross Revenues (3)	Operations & maintenance expenses (1)	Net revenues	Debt service requirement (2)	Times coverage
ELECTRIC UTILITY FUND					
2002-03	215,435	185,468	29,967	10,841	2.76
2003-04	273,867	229,234	44,633	10,889	4.10
2004-05	253,683	208,616	45,067	11,363	3.97
2005-06	347,514	312,728	34,786	10,228	3.40
2006-07	374,340	330,977	43,363	9,304	4.66
2007-08	387,358	354,041	33,317	12,413	2.69
2008-09	289,780	254,484	35,296	8,890	3.97
2009-10	239,870	207,144	32,726	6,418	5.10
2010-11	229,981	201,254	28,727	10,643	2.70
2011-12	209,467	175,748	33,719	6,127	5.50
WATER UTILITY FUND					
2002-03	16,839	11,706	5,133	1,117	4.60
2003-04	17,346	12,758	4,588	1,112	4.13
2004-05	17,484	12,643	4,841	1,103	4.39
2005-06	19,162	13,224	5,938	1,093	5.43
2006-07	20,385	14,456	5,929	1,098	5.40
2007-08	24,476	17,958	6,518	1,102	5.91
2008-09	21,724	17,047	4,677	1,103	4.24
2009-10	22,913	16,705	6,208	1,102	5.63
2010-11	23,925	19,845	4,080	1,704	2.39
2011-12	27,404	21,085	6,319	2,386	2.65
WATER RECLAMATION AND SEWER FUND					
2002-03	13,340	9,250	4,090	2,365	1.73
2003-04	13,124	8,993	4,131	2,366	1.75
2004-05	13,169	8,692	4,477	2,438	1.84
2005-06	13,922	7,955	5,967	2,554	2.34
2006-07	14,876	10,273	4,603	2,640	1.75
2007-08	14,984	9,253	5,731	1,421	4.04
2008-09	14,791	9,094	5,697	1,418	4.02
2009-10	15,816	8,630	7,186	1,421	5.06
2010-11	15,342	9,743	5,599	1,414	3.96
2011-12	16,217	9,562	6,655	1,417	4.70

City Of Burbank

Table 12 - Pledged Revenue Coverage
Last ten fiscal years
(in thousands)
(Unaudited)

Fiscal Year	Gross Revenues (3)	Operations & maintenance expenses (1)	Net revenues	Debt service requirement (2)	Times coverage
REFUSE COLLECTION AND DISPOSAL FUND					
2002-03	10,828	7,763	3,065	1,411	2.17
2003-04	10,500	9,613	887	1,294	0.69
2004-05	11,122	8,848	2,274	1,289	1.77
2005-06	11,530	9,553	1,977	1,289	1.54
2006-07	12,579	10,820	1,759	1,304	1.35
2007-08	13,194	10,781	2,413	1,302	1.86
2008-09	14,342	11,260	3,082	1,299	2.37
2009-10	15,474	12,359	3,115	964	3.23
2010-11	15,760	13,099	2,661	949	2.80
2011-12	16,564	13,922	2,642	964	2.74

TAX ALLOCATION BONDS				
Fiscal Year	Tax Increment	Debt Service		Times coverage
		Principal	Interest	
2002-03	26,364	1,965	5,714	3.43
2003-04	29,071	3,540	5,615	3.18
2004-05	31,003	3,920	8,208	2.56
2005-06	33,709	4,025	8,054	2.79
2006-07	42,003	4,408	7,034	3.67
2007-08	44,043	5,050	8,671	3.21
2008-09	53,099	6,215	10,921	3.10
2009-10	53,171	5,280	9,700	3.55
2010-11	50,343	5,550	9,432	3.36
2011-12	(4) 24,358	9,685	10,458	1.21

- Notes :
- (1) Total operating expenses exclude depreciated cost.
 - (2) Debt service represents cash requirements during the year.
 - (3) Gross revenues are total operating revenues, interest income, intergovernmental revenues, gain on disposal of fixed assets, and other income.
 - (4) Tax increment amounts through January 31, 2012; due to dissolution of Redevelopment agency, increment ceased beginning February 1, 2012.

Source: City Financial Services Department

City Of Burbank

Table 13 - Demographic and Economic Statistics
Last ten fiscal years

(Unaudited)

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2002-03	104,497	3,221,434	30,828	4.8%
2003-04	105,437	3,316,205	31,452	4.7%
2004-05	106,739	3,541,493	33,179	4.3%
2005-06	106,879	3,945,652	36,917	3.5%
2006-07	107,921	3,715,288	34,426	3.9%
2007-08	108,029	4,036,179	37,362	5.9%
2008-09	108,082	4,301,015	39,794	9.2%
2009-10	108,469	4,584,442	42,265	10.0%
2010-11	104,304	4,262,592	40,867	9.7%
2011-12	104,427	4,364,109	41,791	9.0%

- Note:
- (1) State of California Department of Finance
 - (2) (3) X (1); In Thousands
 - (3) Bureau Economic Analysis, Dept. of Commerce. For Los Angeles County. CA1-3 per capital personal income (Metropolitan divisions)
 - (4) State of California Economic Development Department.

City Of Burbank
Table 14 - Principal Employers
Current Year and Nine Years Ago *

(Unaudited)

	2012		2003	
	Number of Employees	%	Number of Employees	%
1. The Walt Disney Company	9,466	15.9%	6,000	10.7%
2. Warner Bros. Entertainment	8,000	13.5%	5,000	8.9%
3. Providence St. Joseph's Hospital	3,500	5.9%	2,000	3.6%
4. NBC / Universal	2,045	3.4%	1,049	1.9%
5. Burbank Unified School District	2,010	3.4%	1,600	2.9%
6. Yahoo	1,800	3.0%	-	0.0%
7. City of Burbank	1,580	2.7%	1,625	2.9%
8. Bob Hope Airport	1,400	2.4%	1,400	2.5%
9. WMC Mortgage	900	1.5%	-	-
10. Health Line Clinical Labs	560	0.9%	456	0.8%
Other employers	<u>28,098</u>	<u>47.3%</u>	<u>36,895</u>	<u>65.9%</u>
(1)	59,359	99.9%	56,025	100.1%

Source : City of Burbank Economic Development Department.

* This schedule, required as a part of GASB 44, is intended to provide data from nine years prior. 2002 is the earliest available year.

(1) The total employees includes all employees in agencies which are required to report their employee counts to the City. Non-profit agencies are not required to report this information.

City Of Burbank

**Table 15 - Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years
(Unaudited)**

	Fiscal year ended June 30,				
	2012	2011	2010	2009	2008
General government	161	166	166	169	165
Police	265	268	271	279	273
Fire	139	139	139	143	141
Public works	131	136	144	146	144
Community development	97	93	82	86	84
Parks and recreation	154	158	178	179	174
Library	62	64	67	69	69
Water Reclamation and Sewer	11	12	12	12	11
Electric Utility	288	288	278	275	275
Water Utility	51	51	50	50	50
Refuse Collection & Disposal	54	49	48	46	46
	1,413	1,424	1,435	1,454	1,432

	Fiscal year ended June 30,				
	2007	2006	2005	2004	2003
General government	164	164	166	145	152
Police	270	274	272	278	281
Fire	137	146	146	144	145
Public works	144	144	144	145	153
Community development	83	80	80	80	86
Parks and recreation	174	179	178	189	179
Library	67	67	66	67	71
Water Reclamation and Sewer	11	10	10	10	10
Electric Utility	273	263	263	271	277
Water Utility	48	52	52	51	46
Refuse Collection & Disposal	46	45	45	44	44
	1,417	1,424	1,422	1,424	1,444

(1) For years prior to 2008, only full-time employees are shown.

Source : City Financial Services Department

City Of Burbank

Table 16 - Operating Indicators by function
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2012	2011	2010	2009	2008
Police :					
Arrests	5,443	5,492	7,417	8,674	9,076
Reports taken	12,359	11,953	12,209	13,559	13,667
Service calls	44,889	42,566	39,966	44,621	46,809
Animals entering shelter (1)	2,839	2,879	3,068	3,081	2,605
Moving violations issued	13,337	13,127	17,450	14,800	13,856
Fire :					
Safety employees	115	125	125	123	125
Fire incidents	1,260	1,243	1,293	1,348	1,554
Medical incidents	7,457	7,568	7,418	7,136	7,146
Community Development :					
Building permits	4,388	3,978	3,601	3,958	4,713
Business licenses/business permits (3)	1,020	799	2,000	2,000	700
Business tax registrations	12,333	11,757	14,000	15,000	16,534
Parks and Recreation :					
Number of street trees	28,758	28,656	28,643	28,670	29,000
Sports participants	17,540	17,619	16,489	16,326	15,837
Afterschool and daycamp participants	14,825	11,640	11,892	11,008	17,005
Special interest participants	11,585	7,871	8,718	10,362	10,545
Burbank bus ridership (2)	359,092	392,637	520,372	611,184	529,813
RSVP volunteer hours served	178,000	189,000	187,875	221,926	136,674
Library :					
Number of books	512,118	482,490	433,975	432,817	456,553
Number of audiovisual recordings	76,981	71,148	69,802	64,288	56,555
Water Reclamation & Sewer :					
Customer accounts (4)	48,044	47,690	47,413	57,526	56,499
Electric Utility :					
Number of meters	52,766	52,627	51,796	51,384	51,338
Generating capacity (KW)	211,000	225,000	225,000	225,000	225,000
Peak demand (KW)	305,000	322,000	286,000	289,000	308,000
Water Utility :					
Number of meters	26,815	26,792	26,506	26,486	26,455
Average daily gallons used (millions)	16,856	21,980	18,854	23,367	22,410
Refuse collection & Disposal :					
Customer accounts	53,536	51,650	50,307	50,132	47,212
Golf Course :					
Rounds of full golf	58,357	52,185	56,397	60,933	59,605
Rounds of 3 par golf	16,624	17,108	21,462	21,775	22,311

(continued)

City Of Burbank

Table 16 - Operating Indicators by function
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2007	2006	2005	2004	2003
Police :					
Arrests	8,879	8,284	7,255	6,551	6,410
Reports taken	13,667	13,809	13,976	13,911	13,545
Service calls	47,003	49,667	50,580	51,025	50,972
Animals entering shelter (1)	2,870	3,069	1,294	1,377	1,499
Moving violations issued	15,875	15,474	14,642	16,970	15,732
Fire :					
Safety employees	121	119	121	121	124
Fire incidents	1,447	1,532	1,349	1,326	1,371
Medical incidents	7,076	6,612	6,576	6,715	6,513
Community Development :					
Building permits (3)	4,864	6,970	2,757	2,686	2,776
Business licenses	790	534	617	614	613
Business tax registrations	16,311	15,991	15,579	15,446	14,439
Parks and Recreation :					
Number of street trees	28,489	25,422	25,418	25,365	25,308
Sports participants	16,214	15,760	15,922	16,112	15,764
Afterschool and daycamp participants	5,740	5,942	5,955	5,940	5,425
Special interest participants	10,500	10,750	10,549	10,400	10,350
Burbank bus ridership (2)	459,626	410,730	329,325	308,705	275,487
RSVP volunteer hours served	180,402	132,470	128,744	126,778	131,617
Library :					
Number of books	440,232	440,232	393,755	389,294	354,836
Number of audiovisual recordings	42,566	42,566	37,332	16,502	12,485
Water Reclamation & Sewer :					
Customer accounts (4)	56,335	45,451	45,409	45,181	45,976
Electric Utility :					
Number of meters	51,310	51,310	51,310	51,310	51,310
Generating capacity (KW)	225,000	225,000	225,000	201,000	201,000
Peak demand (KW)	285,000	285,000	285,000	284,000	284,000
Water Utility :					
Number of meters	26,391	26,351	26,346	26,325	26,240
Average daily gallons used (millions)	20,470	19,500	19,270	20,900	19,600
Refuse collection & Disposal :					
Customer accounts	29,000	30,659	30,576	30,849	31,145
Golf Course :					
Rounds of full golf	65,472	61,020	65,493	N/A	N/A
Rounds of 3 par golf	24,296	23,980	24,220	N/A	N/A

(1) For years 2006 and after, includes dogs and cats. For 2005 and before, includes only dogs.

(2) For years 2000 and after, includes Got Wheels program.

(3) For years 2009 and after, includes business licenses and business permits. For years 2008 and before, includes only business licenses.

(4) For years 2007, 2008 and 2009 the figure shows how many distinct customers were billed at one time for sewer during the year.

City Of Burbank

**Table 17 - Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)**

	Fiscal year ended June 30,				
	2012	2011	2010	2009	2008
Police :					
Stations	1	1	1	1	1
Fire :					
Stations	6	6	6	6	6
Public works :					
Miles of streets	228	228	228	228	228
Miles of alleys	49	49	49	49	49
Miles of sidewalks	368	367	367	367	367
Street lights	9,008	8,979	9,419	9,383	9,238
Miles of storm drains	61	61	61	61	61
Signalized intersections	196	196	194	190	183
Parks and Recreation :					
Number of parks	28	28	27	26	25
Swimming pools	2	2	2	2	2
Tennis courts	21	24	24	24	24
Ballfields	15	16	16	16	16
Community gymnasiums	3	3	3	3	3
Library :					
Main and branch libraries	3	3	3	3	3
Water Reclamation & Sewer :					
Miles of sewers	223	223	223	223	223
Electric Utility :					
Transmission & distribution lines (miles)	419	423	356	356	410
Water Utility :					
Miles of water mains	280	280	280	278	278

(continued)

City Of Burbank

Table 17 - Capital Asset Statistics
Last Ten Fiscal Years
(Unaudited)

	Fiscal year ended June 30,				
	2007	2006	2005	2004	2003
Police :					
Stations	1	1	1	1	1
Fire :					
Stations	6	6	6	6	6
Public works :					
Miles of streets	228	228	228	228	228
Miles of alleys	49	49	49	49	49
Miles of sidewalks	367	366	366	366	365
Street lights	9,184	9,184	9,184	9,100	9,100
Miles of storm drains	61	61	61	61	61
Signalized intersections	183	183	183	182	182
Parks and Recreation :					
Number of parks	25	25	25	25	25
Swimming pools	2	2	2	2	2
Tennis courts	24	24	24	24	24
Ballfields	16	16	16	16	16
Community gymnasiums	3	3	3	3	3
Library :					
Main and branch libraries	3	3	3	3	3
Water Reclamation & Sewer :					
Miles of sewers	223	223	223	240	240
Electric Utility :					
Transmission & distribution lines (miles)	410	410	410	410	410
Water Utility :					
Miles of water mains	278	277	276	274	272

City of Burbank

**Table 18 - City Employees with Earnings over \$200 Thousand
For Fiscal Year 2011-2012
(Unaudited)**

Employee Position	Gross Earnings
City Manager	\$ 260
General Manager BWP	259
Police Chief	219
Police Lieutenant	215
Fire Battallion Chief	211
Line Mechanic Supervisor	209
Fire Chief	208
Fire Battalion Chief	206
Assistant General Manager - BWP	203
Assistant General Manager - BWP	202
Fire Captain	201

Source : City Financial Services Department

City Of Burbank
Table 19 - Schedule of Credits
June 30, 2012
(Unaudited)

Cindy Giraldo Financial Services Director	General Overview
Dino Balos, CPA Accounting and Auditing Manager	General Overview Management's discussion & analysis Letter of Transmittal Audit Coordination Burbank Water and Power Refuse Collection & Disposal Water Reclamation & Sewer; Golf Course
Craig Wood, Financial Systems Manager	General Overview Systems Programming Grant Activity Report (Single Audit) Combined Statements Overview Fixed Assets Accounting
Heidi Okimoto, Principal Accountant	Governmental Funds : General Fund Special Revenue Funds (except grant funds) Inventory Fuel
Angela O'Connor, Senior Accountant	Redevelopment Capital Projects & Debt Service Funds Public Financing Authority Fiduciary Funds Internal Service Funds Notes to Financial Statements
Eva Felipe Accountant	Projects Burbank Water and Power Refuse Collection & Disposal Water Reclamation & Sewer; Golf Course
Monina Marin Accountant	Fixed Assets Accounting
Kassandra Wildermuth Administrative Analyst I	Statistical Section Cover Photos / Design
Mike McDaniel, Reprographics Supervisor	Reprographic Services
Cassidy Allen, Graphic Illustrator	Cover design



275 E. Olive Ave. • Burbank • California • 91502

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